NRN NEWS DIGEST

Red Lobster can use 'Alfredo'

ORLANDO, Fla. — A U.S. District Court judge has declined to issue an injunction against General Mills' Red Lobster chain for using the term "Alfredo" with some of its menu items.

The judge said that "Alfredo is a style of cooking open to the public domain," but he may still hold a full hearing on the matter.

The injunction was sought by Guido Bellanca, chairman and president of Alfredo the Original of Rome Inc., who is appealing the judge's preliminary ruling. Bellanca has also filed a civil suit against the Orlando-based parent company for infringing on his exclusive United States rights to the Alfredo name.

Warner closes 7 of 9 Gadgets

RUTHERFORD, N.J. — Warner Leisure has padlocked and permanently closed seven of its nine remaining Gadgets restaurants. Denver and Westbury, L.I., remain open while Fort Lauderdale, Tampa, Ocean Township (N.J.), Towson, (Md.), Atlanta and two in Houston are shuttererd with the sites up for sale. Robert Petrallia, Warner Leisure president and virtually his entire staff here, have resigned.

Warner Communications had come under increasing pressure to close most of the units after pouring millions of dollars into them without receiving any resemblance of a satisfactory return.

Domino's gets $102M credit line

ANN ARBOR, Mich. — Domino's Pizza Inc., a 1,900-unit pizza-delivery chain, said it had secured a $102 million credit line from a nine-bank group that would fund a doubling of the chain's company-owned store base to 1,200 over the next three years.

Quilted Giraffe stretches neck

NEW YORK —Quilted Giraffe owners Barry and Susan Wine plan to open a second operation called the Quilted Giraffe Café in the arcade of the new AT&T headquarters later this year. The 90-seat café will feature "upscale" take-out food including a $10 to $15 box-lunch special prepared daily. The Quilted Giraffe, which was slated to move to the AT&T building this year, will remain at its present address.

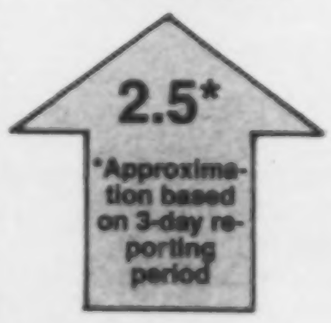
Imperial concerned about HoJo

LONDON — Still "concerned" about the problems at Howard Johnson Co., parent Imperial Group Plc. plans to decide "as soon as possible" on whether to sell or attempt to turnaround the North Quincy, Mass.-based holding, said Imperial chairman Geofrey Kent in an annual statement to shareholders.

WALL STREET UPDATE

NRN Index continues to climb

NEW YORK — The *Nation's Restaurant News* Stock Index advanced about 2.5 points in the period ended Feb. 13 to close around 119.5, a record level for the fourth straight week. The Dow Jones Industrial Average for the three-day period went up 7.95 to a record 1,297.92 closing, reflecting the continued optimism about the economy and a stock-buying spree on Feb. 13. However, food-service losers outpaced winners 5-to-4.



(Full tables, charts and analysis, pages 48-50)

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Vol. 19, No. 8

February 25, 1985

Sage's eyes 'mocktail' bars

Seen as answer to drunk driving laws

By Ken Frydman

CHICAGO — As restaurant and bar operators across the country scramble to protect themselves from strict drinking and driving laws, Eugene Sage thinks he may have a solution: alcohol-free bars and lounges.

Sage, owner of four well-known restaurants in and around Chicago, said he is seriously considering leasing new food-service sites here and creating nonalcoholic establishments featuring alcohol-free beers and wines, soft drinks and "mocktails."

To make his plan work, Sage must maintain the profit margin and ambience common to the bar/lounges in his other operations—Sage's Sages in Arlington Heights, Sage's on State and Eugene's in Chicago, and Sage's West in Downer's Grove.

"The solution to the DUI [Driving Under the Influence] is to balance responsible alcohol service with optimum profit," Sage said. "We can still run a 22% beverage sales ratio serving nonalcoholic drinks and give the public the right to choose."

In the meantime, Sage is shifting the emphasis on drinking from the bars and lounges to the dining rooms of his four operating restaurants. In that way he can service more responsible drinkers, reduce the likelihood of his being held liable in third party liquor liability cases, and tie-in beverage sales with menu merchandising.

"In a 260-seat dining room we can meet or exceed the business we do in our 18-stool bars and lounges," said Sage. "By pushing before and after dinner drinks, wine with meals, and Irish Coffee after dinner I'm maintaining my ratio and reducing my risk."

Sage

Sage is taking various other measures to reduce his risk. He has implemented a server training program for all bar-

*(See **SAGE**, page 47)*

Dairy Queen plans 'blizzard'

By Mark Schoifet

MINNEAPOLIS — International Dairy Queen is adding a blended ice cream product called a blizzard at about 75% of its 4,700 units this spring, according to president and chief executive Harris Cooper.

Cooper said customers will be able to choose their own blend of cookies and candy with soft ice cream. Blizzards will be served in cups at suggested prices ranging from 99¢ to $1.79.

"As a new product development I expect it will be as great, if not greater, than the 'Peanut Buster Parfait,'" Cooper said, referring to Dairy Queen's successful hot fudge and peanut sundae.

The introduction of the blizzard comes on the heels of Dairy Queen's rollout last year of its Queen's Choice hard ice cream. The hard ice cream, now in 1,300 stores, accounts for between 5% and 7% of sales, Cooper said.

Meanwhile, Dairy Queen reported that earnings for the year ended Nov. 30 increased 7% to $7.7 million from $7.2 million. Revenues for fiscal 1984 increased 13% to $132 million.

Frisco strike drags on

Twelve restaurants yet to sign contracts with union

By Alan Liddle

NRN San Francisco Bureau

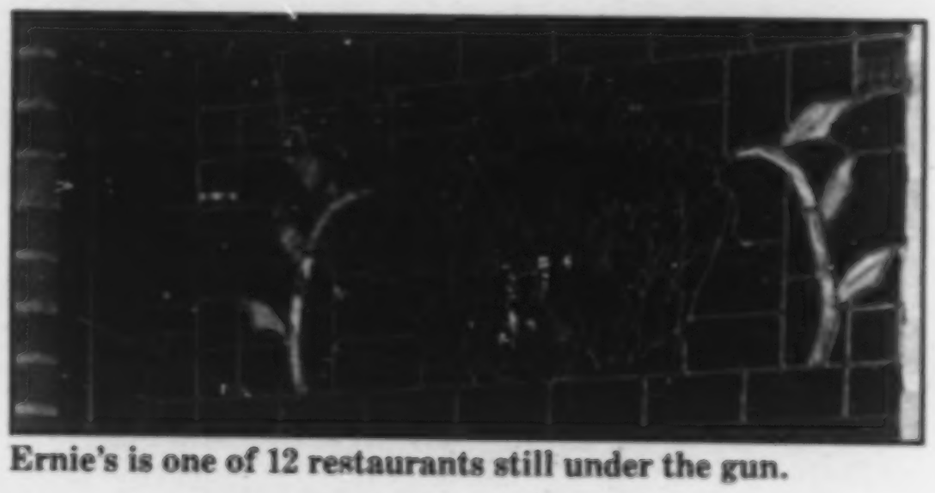
SAN FRANCISCO — While the great majority of the 76 restaurants in this city that had union contracts lapse between September and October have negotiated new agreements, the strike drags on for 12 restaurants.

The major points of contention remaining, representatives of the restaurant owners and Local 2 of the Hotel and Restaurant Employees and Bartenders' Union say, are seniority rights and "amnesty," or the guaranteed rehiring of all strikers.

Owners of four restaurants have petitioned the National Labor Relations Board (NLRB) to hold decertification elections in an effort to oust the union.

The 12 restaurants yet to sign new contracts are part of an 18-member group that broke away from the 100-

*(See **STRIKE**, page 13)*



Ernie's is one of 12 restaurants still under the gun.

Winter weather chills industry sales

By Rick Telberg

Financial Editor

WASHINGTON — The Government's broadest and earliest measure of food-service industry sales slumped to a bare 3.3% year-to-year gain in January as harsh winter weather kept an increasingly thrift-minded consumer at home.

The Commerce Department said eating and drinking place sales in January were $9.5 billion, a slight gain from January 1984's $9.2 billion sales level. The month's small advance could be wiped out if the menu price inflation rate held in January to its 1984 4.2% annual average.

"I think our contacts in the industry will confirm that there was indeed a slowdown in January, probably due in large part to the harsh winter weather and tough year-to-year comparisons," said Leslie Steppel, an industry analyst at Prudential-Bache in New York.

On a seasonally adjusted basis, January's industry sales slipped 1.2% from December while overall retail sales in the nation rose 0.7%, the Commerce Department said. Commerce Secretary Malcolm Baldrige saw an upward trend in consumer spending boosting domestic production and employment.

But private economists have suggested that consumers are slowing their spending due to rising consumer debt and diminishing income gains.

*(See **SALES**, page 47)*

Harvin quits Gatti's

Resigns after serving five months as 328-unit pizza chain's president

AUSTIN, Tex. — Roger A. Harvin has left Mr. Gatti's after having served for only five months as president and chief operating officer of the 328-unit pizza chain.

L. D. Brinkman, chief executive officer of Mr. Gatti's and chairman of parent-company L. D. Brinkman Corp., has assumed the title of president.

According to Herb Bradshaw, executive vice president of Brinkman Corp., Harvin's departure was a result of his inability to meet objectives set when he assumed the title last October. Although he termed the parting "amicable," Bradshaw said that "neither Harvin nor Brinkman were totally satisfied with the progress [Harvin] was making."

Bradshaw explained Harvin had been brought in to tighten operating margins and food and labor costs as well as to oversee a systemwide facelift of Mr. Gatti's stores. "He was making progress," Bradshaw continued, "but not enough."

Bradshaw added that the chain was also seeking to boost average store sales. "As we looked at the company, we felt that there should be an emphasis on managing the revenue side," he said. "Marketing and revenues are not Harvin's forte."

Harvin was not available for comment.

Roger Harvin, left, reportedly resigned from Mr. Gatti's because of his inability to meet objectives set when he joined the chain.

By assuming the title of president, Brinkman will be taking a more "day-to-day interest" in Mr. Gatti's operations—a situation which could last anywhere from 18 to 24 months, said Bradshaw. However, many of Harvin's responsibilities will fall to Gary Lomax, who joined the company in January as vice president of franchising and marketing, but will now move up to executive vice president.

Additional key appointments at Mr. Gatti's include Paul David to group vice president for franchising; John Kapp to national operations manager, and T. G. Radcliffe to executive vice president of finance.

Mr. Gatti's currently has 93 company-owned stores and 235 franchised stores. Revenue for fiscal 1984 ended July 31 totaled $4.41 million, and operating income for the same period totaled $3.20 million. Bradshaw noted that systemwide sales were up over 1983.

Noble Roman's acquires 17 Ohio Godfather's outlets

Two purchases result from sale offer by franchisees

By Patricia Stoll
Midwest Editor

BLOOMINGTON, Ind. — Seventeen Ohio units of the beleaguered Godfather's pizza chain will be converted into Noble Roman's restaurants by early April, according to Paul W. Mobley, president of Noble Roman's, an 88-unit pizza chain headquartered here.

Seven of the Godfather's units, in Dayton, were purchased by Noble Roman's Inc. from companies controlled by Peter Knott of Omaha, Neb., Godfather's Dayton-area franchisee. The other 10 units in Cincinnati were sold by Godfather's franchisee GSP Inc. to Noble Roman's franchisee Robert Supple of Indianapolis, president of Ohio Star Pizza Inc. and a director of Noble Roman's Inc.

"Both purchases are the result of inquiries initiated by Godfather's franchisees and permitted us to accelerate our expansion plans for two important Noble Roman's markets," said Mobley.

In the past year, the franchisees have watched as Godfather's has undergone a disastrous pan-pizza rollout, inflated food costs and declining profits and an unsuccessful leveraged buyout of parent Diversifoods. After the buyout fell through, Donald N. Smith, corporate president and chief executive of Diversifoods, and Charles L. Boppell, chief executive of Godfather's, were forced to resign.

According to Mobley, six of the seven Dayton Godfather's purchased by Noble Roman's Inc. will close March 15 for a five-day period to undergo kitchen modifications and dining-room decor upgrading and receive new signage. The seventh Dayton-area unit, in Troy, will be closed down for a longer period for a more complete remodeling of both the interior and exterior.

The Cincinnati restaurants purchased by Supple, which also will be completely redecorated, are scheduled to reopen April 5.

According to Mobley, Supple plans to build 11 more restaurants during the next four years, which will increase the number of Cincinnati-area Noble Roman's to 24. That figure includes two units in Middletown and Westchester, plus another unit planned by the Middletown franchisee.

When the Godfather's conversions are completed, the number of Dayton-area Noble Roman's will total 22, including a new unit currently under construction and scheduled for a mid-March opening.

Recently, Noble Roman's made news when it introduced "international" pan pizzas. The pizzas, in Greek, Mexican and Polynesian varieties, reflect the California-cuisine trend toward imaginative new combinations of pizza toppings.

Noble Roman's trading area, in addition to Indiana and Ohio, includes Illinois, Kentucky, Michigan, Wisconsin and Florida.

COMMODITIES

Fruit, vegetable prices begin to climb; meat stable

NRN Special Report

Fresh vegetable prices, particularly in the East and parts of the Midwest, should be climbing now as a result of the Florida freeze. Amazing most observers was the quick reaction of American importers (and Mexican growers) who managed to flood the market with tomatoes and green peppers in the two weeks following the freeze. By Feb. 11, prices on tomatoes had fallen below prices on the eve of the freeze, and pepper prices were trending lower to that point.

Although the freeze has affected the prices of cabbage, green beans, squash and sweet corn, today's rapid transportation system and the desire of other countries to share in the United States market has made it easier for brokers to obtain replacement produce. Squash, which initially vanished from eastern dealers' inventories, has appeared—at higher prices—from California and Arizona.

The freeze hit Florida's vegetables unevenly. Celery, for example, is grown far south, near the Everglades, and most of it survived intact. About 40% of the tomatoes and eggplants survived. On the other hand, just about all (90% or more) of the green beans and squash were wiped out. Some 20% of the sweet corn and green peppers survived

Heavy buying by Eastern and Midwestern dealers may drive up the prices of those vegetables in other producing areas. Producers and packers are diverting product out-of-region for the high dollar being offered, thus pushing up prices in all regions.

Lettuce prices have drifted lower in the West, with iceberg down around $1 a case since the Florida freeze. California carrot packers are quoting prices about the same as on Jan. 20. In Eastern markets, however, some operators are complaining of continued high prices on *all* fresh vegetables, claiming some produce dealers are taking advantage of the Florida disaster.

Look for the situation to ease in late March, with normal supplies by April, and even heavy supplies in late April and May. Although normally Florida growers stagger plantings, almost all of them have replanted the lost acreage, which will come to harvest in the same time period. Shortages and high prices in some produce will continue until April, but supplies from one source or another should be available.

On Feb. 11, the U.S. Department of Agriculture issued its post-damage estimate of Florida's orange juice production this year at 1.33 gal. of juice per box, actually up from last year's 1.289 gal., but down from the 1.46 gal. the industry had been getting in January prior to the freeze. Florida's final orange production is expected to be 104 million boxes, down 11% from last year. (The total United States orange crop is expected to be 161 million boxes.)

Brazil supplied half of the frozen orange juice concentrate shipped by Florida packers in 1984, and should be able to supply the larger quantity needed this year without shorting its other—mostly European—export customers. Brazil had a record crop of over 190 million boxes last season, and the estimate for this year's crop is 220 million.

The queston is whether Brazil will raise its concentrate prices to the United States. In the past three or four seasons, it has limited increases to levels below what it could expect to get during a shortage. But with Florida stocks depleted and already low production off another 11%, some economists expect a steep hike in Brazil's product.

Although December's feedlot placements were down for the first time in six months, there are still about 6% more cattle on feed than there were last year at this time.

PRICE MOVEMENT AT A GLANCE

	Feb. 11 1984	Jan. 11, 1985	Feb. 11, 1985
Beef, Choice, 700-900 lb., Midwest (lb.)	$ 1.03	$ 1	$ 0.99
Broilers, Grade A dressed, icepack, N.Y.C. (lb.)	$ 0.6527	$ 0.5645	$ 0.5779
Coffee, green bean, Brazilian, N.Y.C. dock (lb.)	$ 1.50	$ 1.37	$ 1.45
Eggs, Grade A, large white, Chicago (doz.)	$ 1.04	$ 0.53-0.55	$ 0,52-0.55
Lettuce, iceberg, No. 1, Calif. (24s)	$ 3-3.50	$ 6-8	$ 5-6
Orange juice concentrate, frozen, Florida (12/32 oz.)	$24.18	$25.60	$27.20
Pork Loins, No. 1 14-17 lb., Midwest (lb.)	$ 0.98	$ 0.98	$ 1.02
Potatoes, frozen french fries, Idaho Extra Fancy Longs (lb.)	$ 0.31-0.32	$ 0.33-0.36	$ 0.34-0.35
Tomato paste, Fancy 26%, Calif. (6/10)	$22-23	$17-18	$17.50-18

Source: NRN *research*

Prices listed are packers' f.o.b. plant, unless specified, and do not represent the prices paid by the operator. This list is only a reference to indicate price trends against benchmarks of one year ago and one month ago. Products listed are those showing marked movement in price.

Greyhound boosts food

(Continued from page 1)

standing Burger Kings in the same markets; negotiations for one or two possible chain acquisitions, and a stepup of GFM's Prophet Foods' contract feeding business to extend into white-collar office buildings.

The target is to boost annual food-service volume from a current $400 million to $1 billion in the next four years and to substantially raise food-service profits, which were flat at about $24 million last year due to the previous conclusion of the lucrative three-year Saudi Arabian pipeline contract.

Greyhound officials would not identify any of the acquisition prospects other than to say, "It's been narrowed down from an original list of 23 to seven finalists. Fast-food chicken and pizza as well as coffee shops might be preferred for future growth."

Teets, who rose to chairman through the food-service ranks, and Fassler are convinced any acquisition must have rapid national rollout potential or already be national.

Greyhound reached a tentative agreement a year ago to acquire the 50-unit Peter Piper Pizza chain here, but the deal fell through—a fact that some now say was for the better in Greyhound's future growth chart.

SPECULATION on the finalists centers on all or part of Howard Johnson or possibly a chain like Phoenix-based Swenson's or New Orleans-based Popeye's fried chicken. But none of these could be confirmed as in the running.

Greyhound previously acquired six Briarpatch steakhouses in Kentucky and Indiana but apparently is going with its own Twigg's as a potential new chain prototype. The 195-seat Twigg's features "gourmet" burgers but also fresh-baked breads and pastries, char-broiled specialties and fresh-cut meat and seafoods openly displayed. A second test Twigg's may be launched in a more stategic location than Evansville.

Burger King unit in Omaha operated by Greyhound. The company plans to double or triple its 32-unit BK franchise by building freestanding units in GFM's markets.

Even with severe losses in the bus lines, Greyhound Corp. achieved a $125 million net profit in 1984, compared with $105 million in 1983. Teets has been spending much of his time trying to straighten out the bus lines.

After overcoming a bitter 47-day bus strike in late 1983, he has been coping with bus deregulation and the resulting numerous new bus competitors and airline price-cutting.

Greyhound now is busing passengers in major cities to airport terminals and is letting other regional bus companies use its logo and facilities for a fee.

GREYHOUND, WHOSE stock has doubled since Teets moved up to chairman in 1982, is considered a prime takeover target itself because of its undervalued assets, its growing food-service division, Dial soap and Armour consumer products, a profitable insurance and equipment-leasing subsidiary, bus manufacturing operations, ownership of some 125 valuable bus terminals and over five million shares of ConAgra stock worth some $150 million.

But Teets says he has no intention of being acquired and is determined to move ahead with a streamlined Greyhound Corp. expanding its food-service interests through a fine-tuned blend of Burger Kings and other chains.

Selvaggio branches out

(Continued from page 1)

Fame, will support Primi with its vast and legendary wine cellar and the supply lines for premium ingredients that Selvaggio has painstakingly built up over the restaurant's 13-year history.

While customers of Valentino relish its baby kid, lamb, veal, fish and other main-course specialties, Selvaggio says the dining needs of others are not met by the restaurant's classical format.

For many, he says, "a long dinner has become a boring experience." Primi, scheduled to open about May 1 as the "modern son of Valentino," would offer a more contemporary, casual ambience and a broad, "unstructured" menu of smaller items priced mostly from $7 to $10.

Per-person checks could range from about $12 to as high as $40 or $50, Selvaggio says, compared to the standard $50 tab at Valentino.

ANTICIPATING THAT experimental patrons will want to sample a large variety of Primi's relatively complex dishes, Selvaggio expects labor costs to run higher than at Valentino. However, food costs should run only 22%-25% due to the virtual absence of flesh foods, compared to the 42%-44% at the full-course Valentino.

Aside from meats, customers will still have the broad range of choice—even rare—ingredients that has made Valentino famous. (Valentino's late-season access to fresh imported white truffles in February—a feat Selvaggio says was matched only by New York's Le Cirque—attests to the restaurant's purchasing strength.)

While poring over a blueprint of Primi, Selvaggio described a typical menu that a single table of diners might order;

- Croquettes, some stuffed with a puree of wild mushrooms, others with smoked ricotta and broccoli;
- Warm Belgian endive spears stuffed with smoked pheasant;
- A carpaccio "purse" stuffed with crunchy monk beans and topped with shredded parmesan;
- Mini cornflour crêpes stuffed with duck and porcini mushrooms, served in a port wine sauce colored with red and green sweet peppers;
- Mini spinachflour crêpes stuffed with shredded veal and sweet onion;
- A "mountain" of roasted baby eggplant heaped over a bed of goat cheese;
- A variety of sausages, made from New Zealand wild boar, venison and lamb;
- Black (from squid ink) risotto and truffle risotto. (Selvaggio intends to make risotto, the creamy-yet-firm rice specialty, a less "misunderstood" dish);
- A "pyramid" of sorbetto, with blueberry, raspberry and white chocolate layers, set in a puree of kiwi fruit.

To cap this little repast, Selvaggio would suggest a dish of poached pears, stuffed with Gorganzola cheese, floating in zabaglione and topped with a spun-sugar net. Or perhaps ricotta cheesecake studded with raisins and blueberries.

"Insofar as taste, these are many dishes, but very little quantity," he assured.

HOPING TO make Primi a late-night (11 a.m. to 1 a.m.) restaurant attraction in a town that has few such spots, Selvaggio is working closely with European-trained commercial interior designer Carolyn Shanks on lightening up and modernizing the recently formalized Mangia decor. A reflective ceiling will be installed, walls will be removed to expose the existing kitchen, a take-out counter may be installed at the front end of the dining patio, and a narrow angular counter for single diners will be erected near the brick bread oven.

Sage to try 'mocktails'

(Continued from page 2)

tenders, waiters and waitresses; eliminated 2-for-1 drink discounts, giveaways and other liquor-related promotions; developed a designated driver program for patrons who have had too much to drink, and instituted a server intervention course through the national Health Education Foundation.

Over four training days, Sage's service staff is taught to spot and handle drunken customers. A test, independently graded in Washington, D.C., is then issued; employees must pass it within two attempts or they're fired. Thus far, 97% of Sage's servers and managers have passed.

Sage is also offering patrons high-protein hors d'oeuvres during cocktail hours and cheese and breads 30 minutes before his restaurants close "to get something in their systems before they go out and drive," he said.

To help protect his fellow Illinois restaurateurs from the possible loss of liquor licenses and increased insurance premiums, Sage is working with a Government task force investigating driving under the influence cases.

Cold winter chills sales

(Continued from page 2)

"I've never seen a slowdown like this," said Chris Hotze, president of Maverick Restaurant Corp. in Wichita, Kan., which operates 18 franchised Grandy's outlets in seven states.

"All segments of the industry appear to be soft," Hotze said. "Usually when one segment is down, another is up."

IN ADDITION, the Commerce Department revised December and November figures downward. December's 10.8% gain was reduced to 9%. November's was reduced from 7.8% to 7.3%.

The revisions updated total 1984 eating and drinking place sales to $125.3 billion.

The slowdown in January figures to make the first quarter of 1985 especially hard for restaurant companies, which are already facing tough comparisons to last year when a national economic boom, new menu products and promotions powered an industry-wide 11% sales gain, analysts said.

Taco Bell tests products

(Continued from page 3)

erages close to the $550,000 mark.

President John Martin did predict that the average unit volumes would top $1 million in 1989, when the chain would comprise over 4,000 outlets.

Taco Bell has bumped its 1985 ad budget to about $55 million this year, and will spend a big chunk of it in March introducing three new platter combination plates. A Saucy Burrito Supreme, taco and beans combo will sell for about $1.89. A Taco BellGrande, bean burrito and nachos will be 10¢ less. Substitute a Taco Light for the BellGrande item and the price drops another dime.

Testing of fajitas, to be rolled out in 1986 for about $3, marks a major new step for the chain that got its initial high-volume impetus from founder Glen Bell's invention of the preformed taco shell in the early 1960's. For its first nonground beef item, Taco Bell intends at first to use skirt steak strips in its flat-top grilled fajitas dish, which will include grilled onions and bell peppers. It will be served with steamed tortillas and guacamole.

The limited availability of skirt steak for an operation of Taco Bell's magnitude would mean that round steak will probably be substituted before rollout, a Taco Bell official indicated. A separate guacamole menu item could be introduced with the fajitas rollout next year, the official said.

To cook the fajitas, a trendy best-seller in Mexican chain dinnerhouses last year, Taco Bell will be exploring various unspecified cooking methods, the simplest of which would probably be installation of a griddle over part of the existing five-burner ranges used to cook beans and ground beef.

The current introduction of steam-jacketed kettles, one of several kitchen equipment upgrades being made to keep pace with new products, would help free the ranges for fajitas preparation.

While working out such logistics, Taco Bell will be readying the summer rollout of Mexican Pizza at about $1.79. The new item is made of two fried flour tortillas, layered with beans, meat, sauce and tomatoes, and topped with melted cheddar and jack cheeses. Wedge cut, the item is a pizza lookalike.

Word of other intriguing plans for future development circulated during the chain's "summit conference." Taco Bell executives declined to comment on reports of plans for a joint venture with an oil company for development of "skinny-minny" drive-thru units at gas stations.

Franchisees were shown slides of two portable Taco Bell restaurants, with $2,500-per-hour sales capabilities, that were recently used at a golf tournament in Los Angeles.

Restaurant News
FRESH NEWS EVERY WEEK.

FINANCIAL NEWS

NRN Index still climbing as Dow hits all-time high

(Continued from page 50)

Benihana was the third-leading winner of the period, closing 14.8% higher at $1.38 a share. During the week, the chain reported net income of $688,000 for the year ended Dec. 30, its first full reporting year as a public company.

Max & Erma's 11-unit dinnerhouse chain was the leading winner of the period, closing 17.4% higher at $3.38 a share. Despite a loss of $761,000 in the last fiscal year, the chain has put into effect a turnaround strategy that includes menu revisions and a new site-selection policy.

Peoples Restaurants, a 26-unit Texas-based family-restaurant chain, was the leading loser of the period, down 22.2% to close at 44¢ a share.

Among widely held issues, Winners Corp. was the leading winner, closing 15.1% higher at $7.63.

Results in the fast-service burger segment were mixed. While Wendy's was up 2.6% to $19.75 a share, McDonald's was down 2% to $60.88. Burger King, the second largest burger chain, is part of diversified Pillsbury, whose stock price went up 2.2% to $45.50. Carrols Corp., an important Burger King franchisee, declined 1.2% to $10.63.

VOLUME TREND LEADERS

Company Name		Volume Trend Change %	Company Name		Volume Trend Change %
Hambrg Hamlet	O	316.7	Benihana Natl	M	153.9
USACafes	M	232.5	Shoney's Inc	M	121.5
JB's Rest	M	183.5	Max Erma's	O	111.0
Sandwich Chef	M	173.9	Restaurant Sys	M	87.3
Intl Dairy Queen	O	156.5	DLites Of Amer	M	83.4

TOP TEN GAINERS

Company Name		Weekly Price Change %	Company Name		Weekly Price Change %
Max Erma's	O	17.4	Flakey Jakes	M	12.5
Winners Cp	N	15.1	Pizza Inn	A	10.8
Benihana Natl	M	14.8	TGIF Texas	O	5.6
Esteban Foods	O	14.3	Cucos Inc	O	5.3
Capt Crab	M	12.5	Taco Viva	M	5.0

TOP TEN LOSERS

Company Name		Weekly Price Change %	Company Name		Weekly Price Change %
Peoples Rest	M	- 22.2	Ritzys G D	M	- 10.3
Garcias Scot	M	- 17.0	1 Potato 2	O	- 8.7
Nankin Express	O	- 14.3	Hambrg Hamlet	O	- 6.6
Fresher Cooker	O	- 13.3	Naugles Inc	M	- 7.8
Beefsteak Char	A	- 10.5	Hungry Tiger	M	- 7.7

Stock Market / Financial Update

Company and Market		2-13-85 Close	Price Weekly Change Amt.	Price Weekly Change Pct.	Price Weekly Range High	Price Weekly Range Low	Price 52-Week Range High	Price 52-Week Range Low	Volume Weekly Shares Traded Total	Volume Weekly Shares Traded % Out	Volume 12-Week Avg. Vol. As % Out	Volume Trend Change	P/E Ratio	Indicated Divd. Rate Amt.	Indicated Divd. Rate Yld.	Latest Report New Report	Latest Report Period	Latest Report Date Ended	Latest Quarter Revenue Amt.	Latest Quarter Revenue Chg.	Latest Quarter Net Income Amt.	Latest Quarter Net Income Chg.	Latest Quarter E.P.S. Amt.	Latest Quarter E.P.S. Chg.	Year-to-Date Revenue Amt.	Year-to-Date Revenue Chg.	Year-to-Date Net Income Amt.	Year-to-Date Net Income Chg.	Year-to-Date E.P.S. Amt.	Year-to-Date E.P.S. Chg.
		$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Food-Service Operators																														
A&M Food Svcs	M	5.63	- .13	- 2.2	5.75	5.25	7.50	3.50	387	1.08	.78	38.5	16.1	.00	.0	.....	9 mos.	09-84	8.1	26.6	.4	.0	.11	- 26.7	22.1	28.5	1.1	22.2	.30	- 14.3
Acapulco Rests	O	4.50	.00	.0	4.63	4.50	5.00	3.50	135	.54	.70	- 22.9	18.0	.00	.0	.....	fiscal	10-84	10.3	5.1	.3	NE	.11	NC	38.6	1.8	.6	NE	.25	NC
Amer Rest	O	3.75	.00	.0	4.25	3.75	6.00	2.38	100	.44	1.03	- 57.3	19.7	.00	.0	.....	9 mos.	10-84	4.6	21.1	.1	.0	.02	- 71.4	13.6	20.4	.3	.0	.12	- 40.0
Assoc Hosts	M	12.00	- .25	- 2.0	12.25	11.75	17.13	10.50	461	1.04	3.14	- 66.9	14.5	.12	1.0	.....	3 mos.	12-84	22.5	- 1.3	.7	- 12.5	.16	- 11.1	22.5	- 1.3	.7	- 12.5	.16	- 11.1
Beefsteak Char	A	2.13	- .25	- 10.5	2.25	2.00	4.63	1.75	417	.74	.93	- 20.4	NE	.00	.0	.....	fiscal	10-84	23.5	7.8	(6.3)	NE	(1.13)	- 100.0	92.2	- 3.2	(8.0)	NE	(1.43)	- 100.0
Benihana Natl	M	18.38	2.38	14.8	18.63	16.38	18.38	4.50	2,290	8.05	3.17	153.9	27.4	.00	.0	.....	6 mos.	09-84	10.3	110.2	.4	33.3	.15	7.1	24.3	145.5	1.1	57.1	.39	39.3
Bob Evans Farms	M	19.25	.25	1.3	19.25	18.75	20.25	14.75	1,419	.87	.73	19.2	18.7	.30	1.6	.....	6 mos.	10-84	58.1	12.6	4.6	9.5	.28	12.0	112.1	13.3	9.0	8.4	.55	10.0
Calibre Cp	M	1.38	.00	.0	1.38	1.25	9.00	1.00	49	.16	.53	- 69.8	NE	.00	.0	.....	3 mos.	10-84	3.5	9.4	(.7)	NE	(.22)	NE	3.5	9.4	(.7)	NE	(.22)	NE
Calny Food	M	11.75	.50	4.4	11.88	11.25	11.75	7.25	550	1.21	2.42	- 50.0	18.7	.16	1.4	.....	9 mos.	11-84	13.6	24.8	.9	80.0	.19	46.2	38.6	18.0	2.3	53.3	.50	28.2
Capt Crab	M	2.25	.25	12.5	2.25	2.00	6.13	1.38	875	.77	1.81	- 57.5	NE	.00	.0	.....	9 mos.	05-84	2.6	550.0	(.5)	NC	(.04)	NC	3.7	208.3	(.6)	NC	(.05)	NC
Carrols Cp	N	10.63	- .13	- 1.2	11.00	10.50	11.50	7.13	343	.44	1.03	- 57.3	15.2	.07	.7	.....	6 mos.	11-84	36.3	23.5	1.8	63.6	.22	22.2	74.6	21.3	3.9	34.5	.50	4.2
Chi-Chi's	M	12.63	.38	3.1	12.63	12.13	19.50	10.00	5,816	2.16	4.47	- 51.7	18.8	.00	.0	.....	6 mos.	10-84	52.3	40.6	4.5	2.3	.16	- 15.8	97.5	34.1	9.5	18.8	.35	2.9
Chili's inc	M	24.38	- .75	- 3.0	24.75	23.75	25.63	12.75	380	.85	2.67	- 68.2	35.8	.00	.0	.....	6 mos.	12-84	16.0	58.4	1.0	150.0	.20	81.8	31.0	52.7	1.9	137.5	.41	78.3
Churchs Fr Ch	N	33.88	.50	1.5	34.00	31.75	34.63	21.25	3,266	1.74	2.01	- 13.4	17.6	.80	2.4	.....	9 mos.	09-84	124.8	13.0	10.4	- 2.8	.55	- 1.8	355.5	17.4	28.1	19.6	1.49	21.1
Collins Foods	N	20.63	.50	2.5	20.75	19.63	20.75	9.91	2,131	2.44	1.85	31.9	16.1	.16	.8	.....	6 mos.	10-84	114.8	16.5	5.1	15.9	.39	14.7	229.9	20.3	9.9	19.3	.75	15.4
Concept Dev	O	9.25	- .38	- 3.9	9.50	9.25	17.69	5.75	452	.87	2.16	- 59.7	17.8	.00a	.0	.....	3 mos.	09-84	10.9	19.8	.0	- 100.0	.00	- 100.0	10.9	19.8	.0	- 100.0	.00	- 100.0
Consol Prdts	M	5.38	.25	4.9	5.38	5.13	8.63	4.75	111	.31	.41	- 24.4	15.4	.00	.0	.....	3 mos.	12-84	15.2	- 1.9	.3	- 25.0	.10	.0	15.2	- 1.9	.3	- 25.0	.10	.0
Consul Restaurant	M	6.25	.00	.0	6.50	6.00	13.88	4.50	829	1.84	2.70	- 31.9	NM	.00	.0	.....	6 mos.	11-84	20.9	32.3	(.4)	- 100.0	(.11)	- 100.0	42.0	32.9	(.4)	- 100.0	(.10)	- 100.0
Cracker Barrel	M	14.75	- .75	- 4.8	15.00	14.75	23.50	11.75	204	.57	.84	- 32.1	15.7	.14	9	.....	3 mos.	10-84	16.6	18.6	.8	.0	.26	- 13.3	16.6	18.6	.8	.0	.26	- 13.3
Cucos Inc	O	5.00	.25	5.3	5.25	4.75	5.00	2.75	103	.92	.91	1.1	26.3	.00	.0	.....	9 mos.	03-84	.7	NC	.1	NC	.03	NC	2.1	NC	.1	NC	.10	NC
Diversifoods	M	9.75	.25	2.6	9.75	9.38	16.75	8.00	9,701	2.89	7.13	- 59.5	16.5	.34	3.5	.....	9 mos.	09-84	148.8	16.0	7.0	- 17.6	.21	- 16.0	420.7	17.1	22.2	- 3.5	.66	- 2.9
DLites Of Amer	M	11.25	- .13	- 1.1	11.38	10.88	15.50	11.13	3,075	6.09	3.32	83.4	NM	.00	.0	.....	9 mos.	12-84	2.8	86.7	.2	100.0	.04	33.3	7.5	70.5	.3	50.0	.09	28.6
Dunkin Donuts	M	27.25	- .75	- 2.7	28.00	27.00	28.00	18.13	433	.91	1.66	- 45.2	14.6	.32	1.2	.....	fiscal	10-84	23.9	18.3	2.1	10.5	.43	16.2	90.3	16.5	9.1	15.2	1.87	15.4
El Chico	M	9.00	.00	.0	9.13	8.88	11.00	7.25	769	1.65	1.02	61.8	11.4	.00	.0	.....	6 mos.	11-84	20.1	4.7	.9	- 50.0	.19	- 52.5	41.2	7.3	1.8	.0	.39	- 2.5
El Torito Rest	N	14.50	- .13	- .9	14.75	14.38	14.88	9.00	621	.56	.75	- 25.3	14.9	.00	.0	.....	fiscal	12-84	61.1	13.6	2.1	16.7	.19	35.7	250.1	18.7	11.1	29.1	.97	42.6
Fast Food Oper	O	.88	- .06	- 6.7	0.94	0.88	1.88	.69	69	.12	.92	- 87.0	14.6	.00	.0	.....	fiscal	12-83	1.6	33.3	.1	.0	.04	100.0	6.1	32.6	.3	.0	.06	20.0
Flakey Jakes	M	7.88	.88	12.5	7.88	6.88	9.13	5.13	1,528	2.19	2.04	7.4	NE	.00	.0	.....	9 mos.	09-84	3.3	371.4	(.3)	NE	(.05)	NE	6.6	340.0	(.7)	NE	(.11)	NE
Fresher Cooker	O	3.25	- .50	- 13.3	3.63	3.25	6.75	3.25	64	.38	.36	5.6	NE	.00	.0	.....	fiscal	12-83	NC	NC	NC	NC	NC	NC	2.4	- 4.0	(.9)	NE	(.54)	NE
Frisch's	A	20.38	- .25	- 1.2	20.88	20.00	20.88	12.00	87	.20	.21	- 4.8	17.6	.22	1.1	.....	6 mos.	11-84	30.1	9.5	1.2	20.0	.28	33.3	70.6	8.3	2.9	7.4	.66	8.2
Fuddruckers Inc	M	10.63	- .88	- 7.6	11.38	10.50	16.25	8.50	1,201	1.85	3.13	- 40.9	NM	.00	.0	.....	9 mos.	09-84	7.2	188.0	.6	500.0	.09	350.0	16.9	125.3	.0	- 100.0	.00	- 100.0
Garcias Scot	M	2.44	- .50	- 17.0	2.69	2.31	6.50	1.63	1,275	2.13	3.11	- 31.5	NE	.00	.0	.....	9 mos.	09-84	12.3	39.8	(.5)	NE	(.08)	NE	42.0	51.6	(.5)	NE	(.08)	NE
Good Taco	M	.38	.00	.0	0.44	0.38	5.25	.25	326	1.10	2.82	- 61.0	NE	.00	.0	.....	6 mos.	08-84	.4	100.0	(.3)	NE	(.11)	NC	.8	166.7	(.6)	NE	(.24)	NC
Hambrg Hamlet	O	13.25	- 1.25	- 8.6	14.00	13.25	14.50	9.75	54	.75	.18	316.7	11.4	.00	.0	.....	fiscal	03-84	9.3	2.2	.2	NE	.30	NE	35.5	4.4	.8	NE	1.16	NE
Hungry Tiger	M	4.50	- .38	- 7.7	5.00	4.50	7.50	3.63	457	1.59	1.63	- 2.5	23.7	.00	.0	.....	3 mos.	11-84	14.4	- 4.6	(.1)	NE	(.04)	NE	14.4	- 4.6	(.1)	NE	(.04)	NE
Intl Dairy Queen	O	50.50	.00	0	51.50	50.50	50.50	33.00	118	.59	.23	156.5	14.1	.00	.0	.....	fiscal	11-84	25.8	14.7	1.0	.0	.55	41.0	132.3	17.2	7.7	6.9	3.58	21.8
Intl King Tab	M	19.50	.25	1.3	19.50	19.00	20.25	11.59	159	.56	2.61	- 78.5	11.9	.00a	.0	.....	3 mos.	09-84	19.2	6.7	1.1	37.5	.36	NC	19.2	6.7	1.1	37.5	.36	NC
JB's Rest	M	19.13	.63	3.4	19.50	18.50	19.50	10.38	1,792	7.71	2.72	183.5	15.4	.20	1.0	.....	3 mos.	12-84	18.7	41.7	.6	.0	.26	8.3	18.7	41.7	.6	.0	.26	8.3
Jerrico Inc	M	18.88	.25	1.3	19.00	18.50	19.00	11.88	1,581	1.00	3.24	- 69.1	13.7	.12	.6	.....	6 mos.	12-84	123.4	9.4	4.1	32.3	.26	30.0	255.3	8.5	10.4	15.6	.66	15.8
Kapok Cp	A	2.38	.00	.0	2.38	2.13	4.75	1.13	95	.42	1.36	- 69.1	NE	.00	.0	.....	fiscal	09-83	3.1	72.2	(4.6)	NE	(.33)	NC	12.3	7.9	(2.7)	NE	(1.29)	NC
Karcher Carl	M	18.25	- .38	- 2.0	18.50	18.00	29.63	13.50	767	1.09	2.95	- 63.1	10.9	.00	.0	.....	6 mos.	07-84	80.7	17.1	3.3	- 2.9	.52	8.3	178.8	19.5	6.9	3.0	1.00	5.3
Kelly-Johnston	M	1.13	- .06	- 5.3	1.19	1.06	8.75	.75	1,625	1.91	6.43	- 70.3	NE	.00	.0	.....	3 mos.	06-84	28.3	155.0	(3.7)	- 100.0	(.44)	- 100.0	28.3	155.0	(3.7)	- 100.0	(.44)	- 100.0
Luby's Cafe	N	29.88	- .13	- .4	30.00	29.63	32.00	23.63	628	.52	.60	- 13.3	20.9	.54	1.8	.....	fiscal	08-84	48.7	23.6	5.0	28.2	.41	173.3	174.9	21.4	17.4	25.2	1.43	24.3
Marcus Corp	M	15.75	- .13	- .8	15.88	15.63	16.13	11.38	60	.12	.29	- 58.6	10.7	.28	1.8	.....	6 mos.	11-84	30.2	4.5	2.0	.0	.39	5.4	63.7	3.6	4.8	2.1	.94	3.3
Marriott Corp	N	85.13	.38	.4	85.13	82.25	85.13	58.50	1,289	.50	.69	- 27.5	18.3	.54	.6	.....	9 mos.	09-84	834.2	11.7	38.3	4.6	1.43	8.3	2402.7	15.1	96.0	14.0	3.54	16.4
Maverick Rest	O	2.75	.00	.0	2.88	2.75	6.25	2.25	97	.20	.68	- 70.6	16.2	.00	.0	.....	9 mos.	10-84	3.0	87.5	.1	- 50.0	.03	.0	8.3	76.6	.6	50.0	.13	44.4
Max Erma's	O	3.38	.50	17.4	3.75	3.00	6.88	2.50	361	2.11	1.00	111.0	NE	.00	.0	.....	fiscal	10-83	NC	NC	NC	NC	NC	NC	15.9	28.2	(.3)	- 100.0	(.26)	- 100.0
McDonald's Cp	N	60.88	- .13	- .2	61.50	59.63	61.50	40.84	7,372	.85	1.10	- 22.7	14.2	.82	1.3	.....	9 mos.	09-84	784.8	- 4.1	114.3	13.6	1.30	16.1	2395.1	7.6	297.9	13.4	3.37	15.4
Morrison Inc	M	18.88	- .13	- .7	19.00	18.63	19.00	13.13	1,355	.99	1.32	- 25.0	12.6	.48	2.5	.....	6 mos.	11-84	120.2	7.1	5.3	1.9	.39	5.4	238.1	6.4	9.9	1.0	.73	4.3
Mr Steak	O	2.63	- .13	- 4.5	2.88	2.63	3.25	1.13	489	1.01	1.11	- 9.0	NE	.00	.0	.....	fiscal	09-84	16.6	5.1	(1.4)	NE	(.30)	NE	66.4	5.1	(1.9)	NE	(.41)	NE
Nankin Express	O	1.50	- .25	- 14.3	1.88	1.50	2.75	1.00	94	.42	1.16	- 63.8	NE	.00	.0	.....	9 mos.	10-84	.3	50.0	(.3)	NC	(.10)	NE	.7	40.0	(.6)	NE	(.25)	NE
Nathans	O	3.38	- .13	- 3.6	3.50	3.38	4.50	1.78	136	.61	1.79	- 65.9	6.1	.00a	.0	.....	6 mos.	09-84	6.1	1.7	.4	.0	.18	NC	12.2	7.0	.8	33.3	.36	NC
Natl Pizza	O	9.50	.00	.0	10.25	9.50	9.75	7.50	33	.06	.21	- 71.4	12.5	.00	.0	.....	6 mos.	09-84	10.4	8.3	.9	- 59.1	.19	- 56.8	20.5	10.8	2.0	- 9.1	.41	- 6.8
Naugles Inc	M	5.88	- .50	- 7.8	6.25	5.75	14.75	4.88	771	1.66	4.32	- 61.6	NE	.00	.0	.....	3 mos.	09-84	38.3	11.0	.4	- 66.7	.10	- 60.0	38.3	11.0	.4	- 66.7	.10	- 60.0

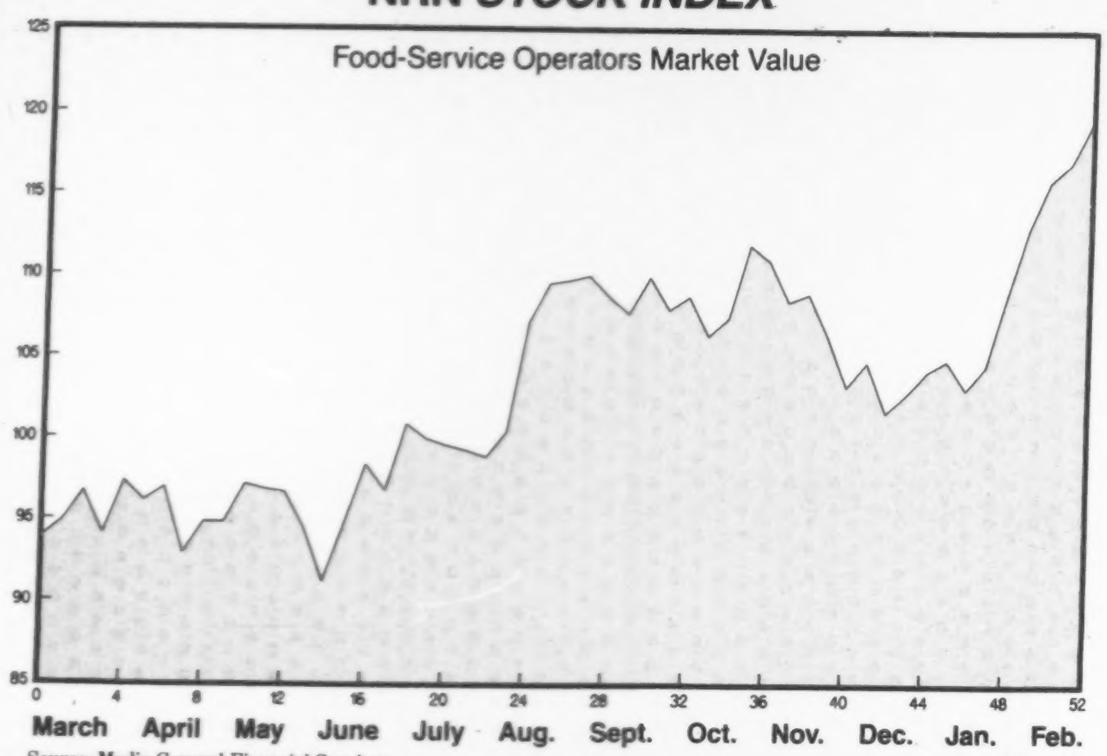
Reporting Period
3 mos. - First quarter of fiscal year
6 mos. - First six months of fiscal year
9 mos. - First nine months of fiscal year
fiscal - Fiscal year
NEW - New report since last issue

General Field Footnotes
NA - Not available or not applicable.
NC - Data required for calculation currently incomplete in our files.
NE - Negative earnings invalidate calculations.
NM - No meaningful figure.
a - Under dividend amount, an 'a' indicates a stock dividend.
b - Indicates cash plus stock dividend when applied to dividend amount column.

Market
N - New York Stock Exchange
A - American Stock Exchange
O - NASDAQ Over-the-Counter
M - NASDAQ National Market

Data and Table Provided by Media General Financial Services, Inc., Richmond, Virginia 23219

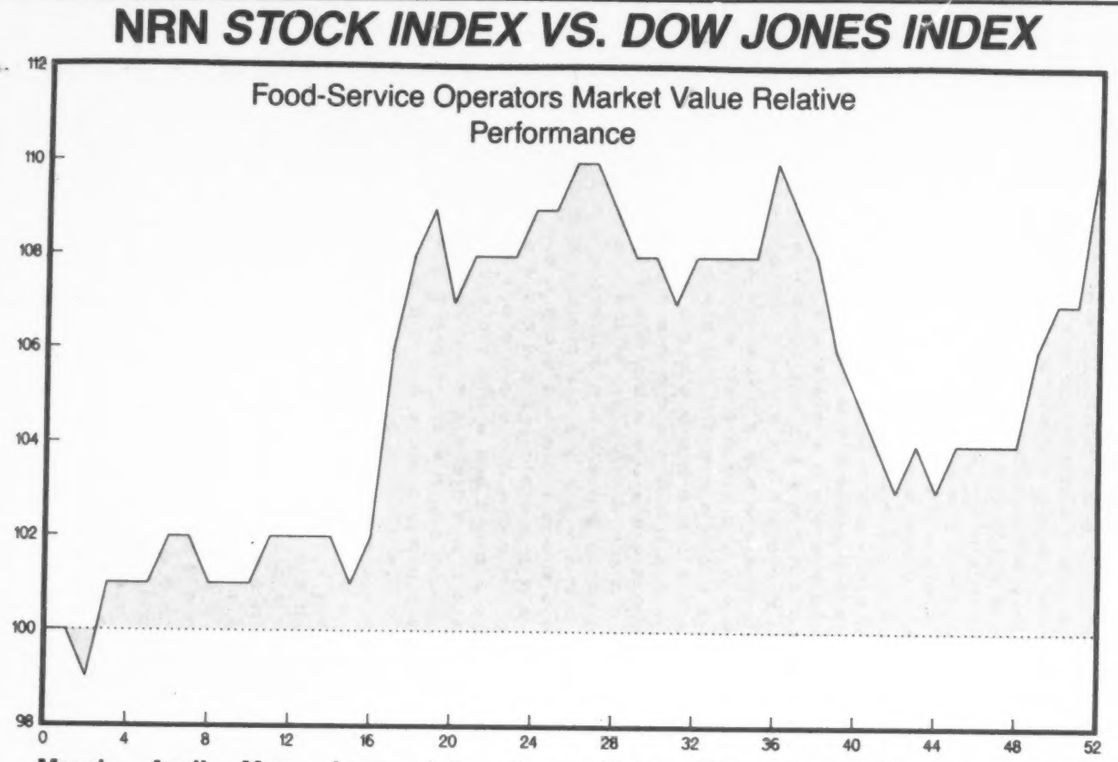
NRN *STOCK INDEX*



Source: Media General Financial Services

Oct. 28, 1983 = 100

NRN *STOCK INDEX VS. DOW JONES INDEX*



Stock Market / Financial Update

Company and Market	2-13-86 Close	Price: Weekly Change Amt.	Price: Weekly Change Pct.	Price: Weekly Range High	Price: Weekly Range Low	Price: 52-Week Range High	Price: 52-Week Range Low	Volume: Weekly Shares Traded Total	Volume: Weekly Shares Traded % Out	Volume: 12-Week Avg. Vol. As % Out	Volume: Volume Trend Change	P/E Ratio	Indicated Divd. Rate Amt.	Indicated Divd. Rate Yld.	Latest Report: New Report	Latest Report: Period	Latest Report: Date Ended	Latest Quarter: Revenue Amt.	Latest Quarter: Revenue Chg.	Latest Quarter: Net Income Amt.	Latest Quarter: Net Income Chg.	Latest Quarter: E.P.S. Amt.	Latest Quarter: E.P.S. Chg.	Year-to-Date: Revenue Amt.	Year-to-Date: Revenue Chg.	Year-to-Date: Net Income Amt.	Year-to-Date: Net Income Chg.	Year-to-Date: E.P.S. Amt.	Year-to-Date: E.P.S. Chg.
-	$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
1 Potato 2 ..... O	2.63	- .25	- 8.7	2.88	2.50	12.25	1.88	151	.69	1.84	- 62.5	52.5	.00	.0	.....	6 mos.	08-84	3.3	NC	(.6)	NC	(.25)	NC	7.1	NC	(1.0)	NC	(.44)	NC
Old Fashion Fd ..... O	5.00	.00	.0	5.50	5.00	6.25	4.00	4	.03	.44	- 93.2	9.8	.00	.0	.....	6 mos.	11-84	3.5	34.6	.1	- 50.0	.11	- 26.7	6.8	36.0	.3	- 25.0	.24	- 20.0
Pancho Mex Buffet ..... M	6.75	- .38	- 5.3	7.00	6.63	8.25	5.86	202	.74	1.09	- 32.1	12.1	.13	1.9		3 mos.	12-84	7.9	14.5	.2	.0	.09	12.5	7.9	14.5	.2	.0	.09	12.5
Peoples Rest ..... M	.44	- .13	- 22.2	0.63	0.38	5.00	.25	5,876	6.84	6.71	1.9	NE	.00	.0	.....	fiscal	06-84	NC	NC	(21.8)	- 100.0	(2.61)	- 100.0	30.6	12.1	(23.8)	- 100.0	(2.85)	- 100.0
Piccadilly Caf ..... M	22.50	- .25	- 1.1	22.75	22.50	24.25	15.00	657	1.09	1.27	- 14.2	13.0	.60	2.7	.....	6 mos.	12-84	48.4	8.3	3.0	30.4	.50	28.2	94.8	10.9	5.7	54.1	.95	53.2
Pizza Inn ..... A	10.25	1.00	10.8	10.25	9.38	12.75	6.88	657	2.16	1.24	74.2	9.9	.08	.8	.....	9 mos.	09-84	48.6	24.6	.6	- 33.3	.20	- 33.3	135.6	21.7	2.5	- 13.8	.81	- 12.9
Po-Folks ..... M	11.13	- .50	- 4.3	11.38	11.13	16.63	8.75	242	.55	.88	- 37.5	14.8	.00	.0	.....	fiscal	09-84	31.3	46.9	1.0	- 23.1	.23	- 37.8	107.1	53.4	3.3	153.8	.75	102.7
Ponderosa Sys ..... N	13.75	- .25	- 1.8	14.13	13.63	22.88	11.50	1,443	1.50	3.35	- 55.2	8.0	.40	2.9	.....	9 mos.	11-84	122.8	33.8	2.3	109.1	.22	69.2	366.8	32.0	11.5	32.2	1.28	18.5
Primo Inc ..... O	3.63	.13	3.6	4.00	3.63	6.25	2.38	330	.98	1.43	- 31.5	NE	.00	.0	.....	fiscal	09-84	.9	.0	(.2)	- 100.0	(.07)	- 100.0	3.8	46.2	(.2)	- 100.0	(.08)	- 100.0
Rax Restaurants ..... M	9.75	.00	.0	10.25	9.50	16.75	8.00	368	.58	1.61	- 64.0	14.3	.00	.0	.....	fiscal	07-84	26.9	18.5	1.7	30.8	.27	3.8	92.9	27.4	4.2	61.5	.68	19.3
Rest Assoc ..... A	7.25	.00	.0	7.25	6.88	8.88	5.38	110	.39	1.55	- 74.8	9.9	.00	.0	.....	9 mos.	09-84	35.0	- 4.1	.4	- 33.3	.14	- 39.1	97.8	- 7.3	1.0	- 23.1	.35	- 30.0
Restaurant Sys ..... M	15.00	.50	3.4	15.25	14.25	15.00	9.00	343	1.48	.79	87.3	10.7	.00	.0	.....	9 mos.	09-84	8.6	17.8	.6	50.0	.25	NC	27.9	26.2	1.6	60.0	.68	NC
Ritzys G D ..... M	3.25	- .38	- 10.3	3.50	3.25	9.00	1.75	189	.36	1.53	- 76.5	NE	.00	.0	.....	9 mos.	09-84	4.4	83.3	(.5)	NE	(.11)	NE	10.6	103.8	(1.6)	NE	(.31)	NE
Rusty Pelican ..... M	14.50	- .38	- 2.5	14.75	14.50	18.25	11.00	444	1.57	2.63	- 40.3	19.3	.00	.0		6 mos.	01-85	10.9	43.4	.2	- 50.0	.04	- 73.3	21.5	40.5	.5	- 16.7	.18	- 35.7
Ryans Fam Steak ..... M	25.75	.25	1.0	25.75	25.25	25.88	15.50	364	.84	2.48	- 66.1	33.4	.00	.0	.....	fiscal	12-84	9.3	66.1	1.0	42.9	.24	50.0	32.0	66.7	3.3	57.1	.77	48.1
Saga Corp ..... N	30.00	.38	1.3	30.13	29.13	35.50	25.00	2,667	2.04	1.78	14.6	11.8	.52	1.7	.....	6 mos.	12-84	331.1	8.6	13.7	13.2	1.03	8.4	602.7	11.3	19.4	18.3	1.45	11.5
Sandwich Chef ..... M	8.75	.25	2.9	8.75	8.50	11.75	6.75	315	2.52	.92	173.9	14.3	.00	.0	.....	6 mos.	12-84	7.1	14.5	.1	.0	.11	37.5	14.0	13.8	.3	.0	.27	28.6
Sea Galley ..... M	7.25	- .13	- 1.7	7.38	7.13	11.00	6.50	1,279	3.25	3.44	- 5.5	NE	.00	.0	.....	9 mos.	09-84	15.7	- 14.2	3.0	NE	.76	- 69.0	48.3	- 11.9	5.3	NE	1.35	- 16.1
Shoney's Inc ..... M	27.25	.63	2.3	27.25	26.38	27.88	15.28	6,687	2.37	1.07	121.5	18.8	.15	.6		fiscal	10-84	117.0	18.5	8.3	31.7	.65	170.8	477.0	21.4	30.2	29.1	1.45	64.8
Shoney's South ..... M	15.63	- .25	- 1.6	15.88	15.63	16.59	11.00	265	.47	.87	- 46.0	13.2	.00	.0	.....	9 mos.	09-84	40.1	14.2	1.8	12.5	.32	23.1	127.3	17.2	5.8	48.7	1.00	19.0
SIS Cp ..... M	5.00	.00	.0	5.50	5.00	8.50	3.25	87	.56	1.05	- 46.7	NE	.00	.0		9 mos.	09-84	2.1	61.5	(.1)	- 100.0	(.02)	- 100.0	5.6	86.7	(.1)	- 100.0	(.05)	- 100.0
Sizzler Rest Intl ..... M	19.50	.50	2.6	19.75	19.13	19.50	8.75	645	.95	.71	33.8	15.6	.00	.0	.....	3 mos.	07-84	40.0	11.7	2.5	25.0	.37	27.6	40.0	11.7	2.5	25.0	.37	27.6
Skippers ..... M	11.75	.00	.0	12.00	11.75	12.13	8.00	366	1.34	1.47	- 8.8	12.6	.06	.5		fiscal	12-84	20.8	28.4	.9	50.0	.33	50.0	63.1	26.2	2.5	25.0	.93	14.8
So Hospitality ..... M	5.75	.13	2.2	5.75	5.50	5.75	3.75	2,984	6.23	3.40	83.2	16.4	.00	.0	.....	6 mos.	11-84	10.3	18.4	.4	33.3	.08	14.3	21.0	25.7	.8	33.3	.16	14.3
Taco Viva ..... M	10.50	.50	5.0	10.75	9.75	10.50	7.00	240	1.05	.92	14.1	19.8	.00	.0	.....	6 mos.	11-84	5.6	55.6	.3	200.0	.12	50.0	12.2	74.3	.6	100.0	.26	30.0
TGI Friday's ..... N	11.75	- .25	- 2.1	12.13	11.50	13.13	7.88	805	.70	1.23	- 43.1	18.1	.00	.0		fiscal	12-84	75.6	37.5	3.2	88.2	.17	54.5	285.0	24.2	11.9	14.4	.65	.0
TGIF Texas ..... O	2.38	.13	5.6	2.75	2.25	4.50	2.25	30	.20	.27	- 25.9	NE	.00	.0	.....	3 mos.	03-84	2.6	18.2	(.1)	NC	(.07)	- 100.0	2.6	18.2	(.1)	NC	(.07)	- 100.0
Transworld ..... N	36.50	.50	1.4	36.50	35.50	36.50	23.63	5,219	1.60	2.31	- 30.7	11.6	.40	1.1	.....	fiscal	12-84	522.9	3.0	29.5	NE	.75	- 62.1	2002.0	6.0	115.0	NE	3.14	NE
USACafes ..... M	4.00	.00	.0	4.25	4.00	4.75	2.75	1,307	2.56	.77	232.5	NA	.00	.0	.....		00-00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Vicorp Restaurants ..... M	21.25	- .75	- 3.4	21.63	21.13	22.00	13.25	1,941	2.92	2.82	3.5	16.1	.12	.6	.....	fiscal	10-84	87.2	143.6	2.9	52.6	.45	40.6	242.3	158.3	8.7	81.3	1.32	55.3
Victoria Stations ..... M	4.00	- .25	- 5.9	4.13	3.88	8.00	2.13	655	1.85	4.96	- 62.7	NE	.00	.0	.....	6 mos.	09-84	22.2	- 3.5	(1.7)	NE	(.47)	NE	45.9	- 3.6	(2.5)	NE	(.70)	NE
Wendys Intl ..... N	19.75	.50	2.6	19.88	19.00	20.50	13.13	9,361	1.72	1.81	- 5.0	16.5	.28	1.4	.....	9 mos.	09-84	249.0	31.1	18.8	16.8	.34	13.3	694.9	34.1	51.1	26.5	.93	25.7
Wstn Steer ..... O	10.00	.00	.0	11.00	10.00	12.00	9.00	7	.06	.40	- 85.0	17.5	.20	2.0	.....	9 mos.	11-84	11.2	24.4	.1	- 80.0	.05	- 87.5	31.0	25.5	.5	- 44.4	.38	- 54.2
Winners Cp ..... N	7.63	1.00	15.1	7.63	6.75	13.38	5.13	569	1.30	1.30	.0	15.6	.00	.0	.....	9 mos.	09-84	27.3	14.2	.2	- 75.0	.05	- 72.2	79.7	26.5	1.3	- 35.0	.30	- 34.8
Hotels, Motels, and Casinos																													
Brock Hotel Cp ..... N	3.75	- .13	- 3.2	4.00	3.75	6.63	2.63	595	.45	1.27	- 64.6	NE	.10	2.7	.....	9 mos.	09-84	60.0	- 26.7	(25.6)	NE	(1.95)	NE	211.0	- 10.6	(26.3)	NE	(1.77)	NE
Hilton Hotels ..... N	59.88	.50	.8	59.88	58.25	60.13	45.50	784	.32	1.00	- 68.0	13.8	1.80	3.0		fiscal	12-84	181.7	49.2	46.0	NE	1.77	88.3	686.6	12.3	114.0	32.7	4.33	35.3
Holiday Inns ..... N	52.25	1.25	2.5	52.50	50.25	52.50	35.25	3,218	.90	4.20	- 78.6	15.3	.90	1.7	.....	9 mos.	09-84	473.9	6.2	49.7	4.2	1.37	9.6	1328.9	11.5	110.4	1.3	3.00	4.9
Prime Mtr Inn ..... N	30.88	- .38	- 1.2	31.25	30.50	32.00	16.00	774	.53	1.16	- 54.3	24.1	.12	.4	.....	3 mos.	09-84	47.9	192.1	5.8	26.1	.40	25.0	47.9	192.1	5.8	26.1	.40	25.0
Ramada Inns ..... N	7.63	.00	.0	7.63	7.38	8.75	5.13	4,426	1.19	2.39	- 50.2	25.4	.00	.0	.....	9 mos.	09-84	156.3	- 3.5	6.0	- 65.5	.16	- 67.3	448.0	2.3	6.8	74.4	.18	1700.0
Servico Inc ..... M	18.50	- .25	- 1.3	19.50	18.50	22.28	12.28	61	.18	.65	- 72.3	6.4	.00a	.0	.....	9 mos.	09-84	48.9	24.7	3.4	385.7	.99	NC	139.1	24.8	6.2	138.5	1.80	NC
Sonesta Intl ..... O	21.00	.00	.0	23.00	21.00	23.00	17.50	0	.00	.06	-100.0	NE	.40	1.9	.....	9 mos.	09-84	22.6	17.1	(.6)	- 100.0	(.38)	- 100.0	62.1	11.9	(.6)	- 100.0	(.41)	- 100.0
Other Companies with Food-Service Operations																													
Allegheny Bev ..... M	22.13	- .13	- .6	22.63	22.00	22.63	13.50	1,074	1.79	2.10	- 14.8	14.2	.40	1.8	.....	9 mos.	09-84	167.3	27.2	2.4	- 11.1	.39	- 11.4	486.1	23.2	7.0	- 13.6	1.12	- 13.8
Ch Full O Nut ..... N	8.75	.13	1.4	8.88	8.63	14.56	7.63	171	.37	.82	- 54.9	NM	.48	5.5	.....	3 mos.	10-84	26.5	- 10.2	.1	- 83.3	.03	- 75.0	26.5	- 10.2	.1	- 83.3	.03	- 75.0
Disney, Walt ..... N	76.63	.75	1.0	77.13	74.88	77.13	45.25	3,765	1.12	2.55	- 56.1	62.8	1.20	1.6	.....	3 mos.	12-84	426.5	37.3	32.2	257.8	.95	179.4	426.5	37.3	32.2	257.8	.95	179.4
Esteban Foods ..... O	2.00	.25	14.3	2.25	1.88	3.50	1.13	79	.34	.94	- 63.8	22.2	.00	.0	.....	9 mos.	09-84	3.5	34.6	.0	NC	.02	.0	9.8	25.6	(.1)	- 100.0	(.02)	- 100.0
Gen Mills ..... N	58.63	2.50	4.5	58.75	56.00	60.00	44.75	6,058	1.34	1.84	- 27.2	14.0	2.24	3.8	.....	6 mos.	11-84	1559.4	2.6	55.6	- 31.9	1.23	- 28.1	2945.8	1.7	109.7	- 28.9	2.43	- 24.8
Grace W R ..... N	41.00	- .63	- 1.5	41.25	40.00	44.50	36.50	5,286	1.09	.91	19.8	10.2	2.80	6.8	.....	fiscal	12-84	1830.8	4.4	59.1	13.0	1.22	2.5	6727.8	8.2	195.6	27.0	4.02	26.8
Horn & Hardart ..... A	10.63	- .13	- 1.2	10.88	10.38	21.19	8.63	988	.80	1.80	- 55.6	13.0	.00a	.0	.....	9 mos.	09-84	85.8	6.6	.5	- 87.8	.00	- 100.0	265.9	11.1	6.6	- 27.5	.49	- 35.5
Ogden Corp ..... N	30.75	.63	2.1	30.75	29.38	31.75	24.13	1,400	.74	.83	- 10.8	15.0	1.80	5.9		fiscal	12-84	524.3	10.8	8.1	- 30.8	.42	- 31.1	2136.7	23.7	39.5	- 24.8	2.05	- 25.2
PepsiCo Inc ..... N	47.88	.88	1.9	48.63	46.00	48.63	35.00	13,582	1.45	1.49	- 2.7	14.1	1.68	3.5	.....	9 mos.	09-84	1934.3	8.0	118.3	24.4	1.24	24.0	5425.9	13.3	243.9	17.9	2.57	17.4
Pillsbury Co ..... N	45.50	1.00	2.2	45.63	43.75	45.75	33.00	4,212	.97	1.16	- 16.4	11.3	1.56	3.4	.....	3 mos.	08-84	1023.5	10.1	38.9	11.8	.90	12.5	1023.5	10.1	38.9	11.8	.90	12.5
Vie de France ..... O	12.75	.00	.0	13.00	12.75	15.25	10.50	13	.01	.73	- 98.6	20.9	.23	1.8	.....	6 mos.	12-84	15.5	26.0	1.6	- 33.3	.14	- 41.7	29.7	22.7	3.0	25.0	.27	12.5

Reporting Period
3 mos. - First quarter of fiscal year
6 mos. - First six months of fiscal year
9 mos. - First nine months of fiscal year
fiscal - Fiscal year
NEW - New report since last issue

General Field Footnotes
NA - Not available or not applicable.
NC - Data required for calculation currently incomplete in our files.
NE - Negative earnings invalidate calculations.
NM - No meaningful figure.
a - Under dividend amount, an 'a' indicates a stock dividend.
b - Indicates cash plus stock dividend when applied to dividend amount column.

Market
N - New York Stock Exchange
A - American Stock Exchange
O - NASDAQ Over-the-Counter
M - NASDAQ National Market

Data and Table Provided by Media General Financial Services, Inc., Richmond, Virginia 23219

FINANCIAL NEWS

SPOTLIGHT ON FINANCE

Reagan challenges Congress on SBA: Fix it or kill it

By Rick Telberg
Financial Editor

In 1980, Chili's founder Larry Lavine had seven restaurants and plans bigger than Chili's bank account, so he went out to raise money from venture capital pools.

Meanwhile, in the barrio of San Antonio, the Mexican American Unity Council, a local social services agency which runs child-care centers and half-way houses, was groping for a way to fill its budget shortfall with profit-making investments to fund its nonprofit activities.

The San Antonio agency created a Small Business Investment Company under the rules of the U.S. Small Business Administration and invested $100,000 in Chili's venture capital fund.

Chili's got a leg up into becoming one of the phenomenal success stories of the restaurant industry. And the Mexican American Unity Council got a 1,000% return on its investment.

But now the Reagan Administration has sent a budget proposal to Congress that would totally eliminate the Small Business Administration, saving $1.6 billion by closing the 4,000-employee agency and selling its loan portfolio.

The SBA has few full-throated supporters. Last year the agency made about 1,700 direct loans, worth about $120 million, and co-signed another $3 billion in loan guarantees. But maybe 10% of the borrowers will default, a loss ratio four times as high as a very poorly run bank.

"As it is, I wouldn't miss the S B A ," said Hugh Gedrich, a Detroit restaurant operations troubleshooter. "I'm not convinced that the money went to the people with the smartest business plans."

But others disagree.

Paul deRuyter, a loan officer at the Cape Cod Bank & Trust in Hyannis, Mass., said a whole generation of restaurateurs may not have gotten started in the business without the S B A 's loan guarantees.

"I just did a $250,000 loan that would not have been done otherwise," deRuyter said. "You go the S B A route when you have insufficient capital, unproven management or a new operation. And isn't that always the case in the restaurant business? Someone has to make loans to this industry."

John Stefanelli, a professor at the University of Nevada's hotel school at Las Vegas, sees dire consequences if the S B A were to be eliminated.

The soundings, however, that *Nation's Restaurant News* political correspondent Ken Rankin has taken, indicate the S B A probably will not be killed outright.

Nevertheless, if the S B A does survive, it could be in changed form.

The National Federation of Independent Business has offered a counter proposal that would drastically restructure the agency which has floated $33 billion in its 31-year life.

The N.F.I.B. would eliminate the direct-loan program, where, Congress estimates, about a quarter of the borrowers default. The guaranteed-loan program would be revamped so that the initial fee, now about 1% of the loan, would be raised to 3% to 5%.

The N.F.I.B. plan would also expand the participation of private industry by reducing the guarantee from 90% of the loan to 70%, on the theory that banks and Small Business Investment Companies would monitor portfolio performance more closely.

In addition, the N.F.I.B. would save the much-praised advocacy office, which is a watchdog for small business, and would retain the procurement office, which opens Government bidding to smaller enterprises.

The Reagan Administration has thrown down the gauntlet on the S B A , challenging Congress to fix it or kill it.

The restaurant industry, as largely an industry of small enterprise, has a crucial stake in the outcome of the debate.

T.G.I. Friday's net profit up 14%

DALLAS — T.G.I. Friday's finished its 1984 fiscal year on Jan. 2 with a 14% gain in net profit to $11.9 million but flat earnings per share of 65¢. The year's revenue rose 24% to $285 million.

In the fourth quarter T.G.I. Friday's posted a 94% net profit gain to $3.2 million on a 38% revenue advance to $75.7 million.

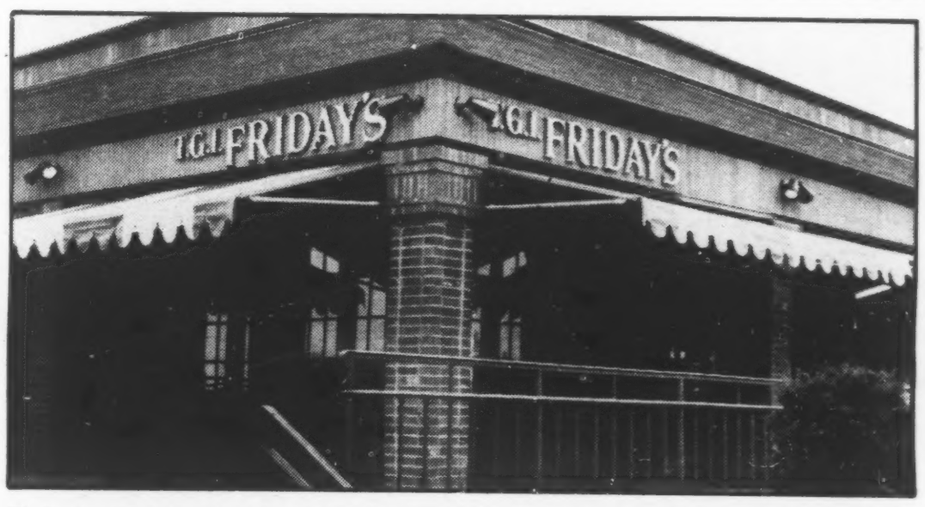
Last-quarter per share earnings grew to 17¢ from 11¢, as the number of shares outstanding rose 14% to 18.2 million for the quarter and the year.

Daniel R. Scoggin, president and chief executive, said management was pleased by the year's results, "despite falling short of our long-term goal of growing net income at 20% to 30% per year."

Earnings suffered at T.G.I. Friday's after the company added 24 new restaurants during the year bringing its total to more than 100, the company indicated.

"We are scaling back new restaurant openings in the first half of the [1985] year," Scoggin said.

Twelve to 14 new T.G.I. Friday's and three to five new Dalt's are planned this year, the company said.



T.G.I. Friday's finished fiscal '84 with a 14% net profit.

Marriott boosts net 21% for year-end

WASHINGTON — Marriott Corp. fattened its net profit 21% to $139.8 million on a 19% sales gain to $3.5 billion for the year ended Dec. 28.

Fourth quarter net rose 35% to $41.8 million on a 19% sales rise to $941.8 million, the company said.

A strong economy, increased travel, continued physical expansion and reduced interest expense aided all three of Marriott's major business lines—lodging, contract food service and restaurants—said president J. W. Marriott Jr.

Lodging operations boosted pretax profit 19% on a 24% sales gain for the year, the company said, as 13 new hotels and 6,000 rooms were added to the system raising the room total to 61,000.

Contract food service notched a 23% pretax advance on a 17% sales gain as airport operations showed a sharp expansion.

Pepsico chains gain 14%

PURCHASE, N.Y. — PepsiCo. Inc., which owns the Pizza Hut and Taco Bell fast-food chains, said pretax profit in its food-service operations rose 14% to $175.2 million on a 20% sales gain to $1.8 billion for the year ended Dec. 29.

The company called Taco Bell's performance "extraordinary," but said Pizza Hut's gains were "modest" compared with 1983 when a lunch program was launched.

WALL STREET UPDATE

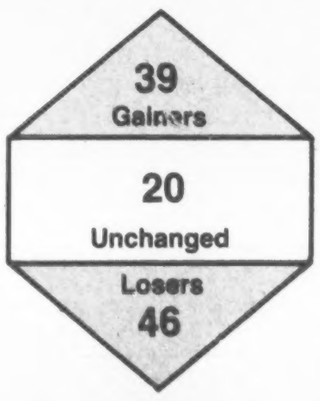
Losers outpace winners; Index continues to climb

NEW YORK — The Nation's Restaurant News Stock Index continued climbing to record highs, closing about 2.5 points higher in the three-day period ended Feb. 13 at about 119.5.

The record close reflected the surge in activity in the stock market as a whole. A stock-buying spree on Feb. 13, inspired by continued confidence in the strength of the economy, pushed the Dow Jones Industrial Average up 7.95 points in the three days to a record 1,297.92 closing.

Despite the gains in the two indexes, food-service issues declining in price outnumbered those advancing in price, 46-to-39, on the broad 105-stock listing that includes lodging and diversified companies.

(*NRN*'s stock charts and index reflect only a three-day trading period due to the publication's holiday production schedule.)



*(See **INDEX**, page 48)*

Beefsteak Charlie's net down $7.95M

NEW YORK — Showing the signs of a second year of restructuring, Beefsteak Charlie's Inc. said it had a net loss of $7.95 million for the year ended Nov. 3, compared to 1983's loss of $6.71 million.

Revenue slipped 6% from 1983 to $92.2 million.

About $4 million of the year's loss stemmed from the company's restructuring expenses, compared with $7.7 million the year before.

The company, which intends to change its name to Lifestyle Restaurants Inc., operates 63 restaurants, many of them called Beefsteak Charlie's. But in the last year it has opened several new concepts, of which there are 11 Tallulah's American Cafe and one each of Daly's Dandelion and Nathan Detroit's.

The company said it expected to reduce its losses.

Naugles franchising venture pulls second qtr. performance down

FULLERTON, Calif. — Still smarting from its ill-starred foray into franchising last year, Naugles Inc. posted a net loss of $230,000 in the second quarter ended Jan. 10, compared with a $748,000 net profit a year ago.

Second-quarter revenue slipped 3% from a year ago to $27.6 million.

Last year the company booked revenue of $1.2 million in the second quarter and $1.9 million for the half-year.

The 200-unit chain now plans to open 20 more outlets through the rest of the fiscal year.

So far this year Naugles has earned $260,000, vs. $1.9 million at last year's six-month mark, on revenue of $65.9 million, a 5% advance.

W. R. Grace buys Carrows

NEW YORK — W. R. Grace & Co. said it completed the purchase of Carrows Restaurants Inc., an 89-unit family restaurant chain based in Santa Barbara, Calif., for 945,000 shares of Grace common. Priced recently at $41.63 per share, the deal was valued at $39.3 million.

C5150-5

Bob Farrell finds new fish to fry —Focus/F3, 4

Manhattan: Merchant's mecca for food fashion —Focus/F6

American Marketplace: Atlanta operators hurt —Pages 3, 12, 13

Nation's
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Howard Johnson, Jerrico sales near?

Imperial to set future of chain on March 28

By Peter Romeo

LONDON — Imperial Group PLC hopes to disclose the sale of Howard Johnson Co. at its annual meeting here March 28, according to a source.

The list of prospective buyers includes Greyhound Corp., R. J. Reynolds Industries Inc., Marriott Corp., the Pritzker family, Servico Inc. and at least two other U.S. corporations, said Howard Johnson franchisees and executives of competitive lodging chains.

They add that Howard Johnson will be sold in its entirety rather than piece-meal. Prime real estate, rather than the restaurants and hotels, appear to be the main lure.

Howard Johnson's suitors

Greyhound Corp.
R. J. Reynolds Industries Inc.
Marriott Corp.
The Pritzker family
Servico Inc.

. . . and what they'd get

600 "Orange roofs" (restaurants and lodges)
225 Ground Rounds
2 Deli/Baker/Ice Cream Maker units
2 Bumbershoots
2 Paddywacks
1 Pickle Lilys
7 Plaza-Hotels

Imperial Group spokesman Don Hedley refused to confirm or deny any of the reports.

*(See **HOJO**, page 63)*

Price barrier critical in any LJS acquisition

By Charles Bernstein

LEXINGTON, Ky. — Long John Silver's (Jerrico) is now a prime acquisition candidate, according to strong industry reports at presstime. But the $64 questions were: Who would be the buyer, and would the minimum price that Jerrico set of $32 per share be met?

Pillsbury, PepsiCo and General Mills all are considered prime possibilities as suitors, and some sources believe that a deal is imminent. But nobody at those companies or at Jerrico would confirm any of the reports.

General Mills restaurant group president Joe Lee said that "maybe Long John's would fit in well some day with our desire for another seafood chain to supplement Red Lobster, but we haven't talked to them yet and we're still formulating strategic plans on whom we might be interested in acquiring."

*(See **LJS**, page 63)*

JERRICO AT A GLANCE

Jerrico Inc., Lexington, Ky.
Operates 818 Long John Silver's Seafood Shoppes, franchises another 541 to others.
Latest six-month revenue: $255.3 million, up 6%
Latest six-month earnings: $10.4 million, up 15%
Stock price: $19 (OTC). 52-week range: $19.50-$11.88

King's Table to buy Duff's

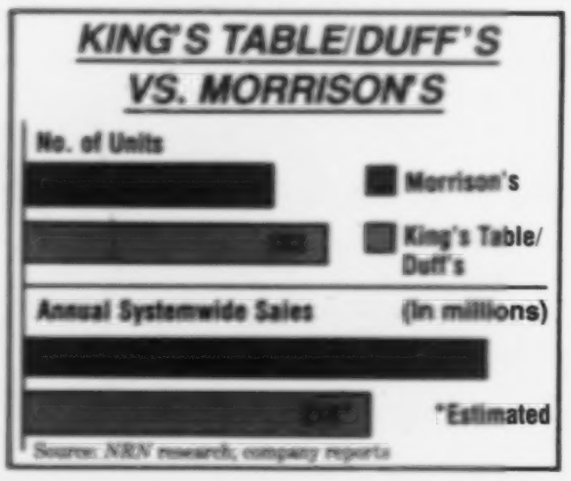
By Mark Schoifet

OKLAHOMA CITY — International King's Table's proposed purchase of 102 Duff's smorgasbord restaurants from Kelly-Johnston would catapult the 81-unit chain past Morrison's and into the No. 1 position—in number of units—in the cafeteria segment.

But the proposed $10.3 million sale hinges on an expected court challenge from Sunbelt Paragon of Lebanon, Ohio, a Duff's franchisee originally named by Kelly-Johnston as the Duff's buyer.

On Feb. 19, Kelly-Johnston disclosed it had entered an "understanding" to sell 24 company-owned Duff's and the rights to 78 franchised units to International King's Table based in Eugene, Ore. King's Table agreed to pay $8.1 million in cash and about $2.3 million in common stock.

*(See **DUFF'S**, page 63)*



Rebound at Red Lobster: Unit-level sales rise 10%

By Rick Telberg

ST. PETERSBURG BEACH, Fla. — Red Lobster, which last year suffered its first financial disappointments, is staging a dramatic rebound earlier and at less cost than originally expected, General Mills restaurant group president Joe Lee said.

New training, menu expansion and advertising programs have been so effective, Lee told Wall Street analysts at a conference here, that a remodeling program has been slowed to about half of its originally planned rate.

Unit-level sales, which a year ago were suffering traffic fallouts, should rise about 10% in the year ending this May to $2.3 million, Lee said.

More than $100 million was committed last year to the remodeling program to add oyster bars and mesquite grills to the restaurants. But Lee said the Orlando, Fla.-based group may have funds left over because of savings discovered in the early stages of a turnaround strategy.

General Mills officials plotted a major overhaul of the 365-unit Red Lobster, the nation's biggest seafood dinnerhouse chain, a year ago as a remedy for declining traffic counts.

*(See **REBOUND**, page 63)*

INSIDE NRN

THE $"21"M DEAL
Two New York businessmen pay a lot for prestige . . F4

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Students and professor launch delivery service 20

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NEWSPAPER

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Tap Room offers home brew

N.Y. pub-restaurant targets the serious beer drinker

By Ken Frydman

NEW YORK — A new pub-restaurant for serious beer drinkers is expected to gross $2 million this year retailing the eight varieties of ale and lager produced at its on-premise brewery.

The three-tier, 200-seat Tap Room—complete with international beer posters, sheet metal-covered tables, beer vats and kettles, display cases and beer taps galore—is tying in "beer food" like bratwurst and sauerkraut, Irish lamb stew, Shepherd's pie, hearty soups and hot carved sandwiches with lite ales and Royal Amber beers.

From 11:30 a.m. until 1 a.m. Tuesday through Sunday, the 3,000-sq.-ft. Tap Room is

*(See **TAP ROOM**, page 63)*

The Tap Room in lower Manhattan does between 300 to 1,000 covers per day. Inset: manager Christopher Van Doren.

More states eye ban, limit on happy hours

New restrictions on liquor promos sought

By Mark Schoifet

The movement to ban or limit happy hours and other alcoholic-drink promotions at restaurants and taverns is gaining momentum as it barrels into state capitals across the nation.

Twenty-three states have either passed or are considering legislation or regulations restricting beer and liquor promotions, according to an informal study by the Distilled Liquor Council, a national trade group.

Among the scores of recently introduced bills is a proposal by a Rhode Island state senator that would give restaurants and taverns the right to collect driver's licenses and car keys from patrons entering such an establishment. A customer would then have to pass a sobriety test in order to get the keys and license back.

"It's very much into the dangerous category now," said Trish Butler, associate director of the Florida Restaurant Association.

Spearheaded by Mothers Against Drunk Driving (MADD) and other groups, the anti-happy-hour movement picked up steam last fall when Massachusetts passed the most comprehensive bar restrictions in the country. The Bay State law prohibits happy hours, free drinks, jumbo drinks, 2-for-1 specials, reduced drink prices, offering free drinks as prizes, holding drinking contests, and selling pitchers of beer to one person.

The drive to limit happy hours comes at a time when many states are also considering bills to raise the drinking age and to hold third parties liable in lawsuits stemming from drunk-driving accidents.

"Happy hours promote the social acceptability of drinking and driving," MADD founder Candy Lightner said in a recent editorial. "That is the attitude we have to change if we are going to change the carnage."

Many members of the food-service industry, however, believe voluntary programs—including the substitution of snack food for drinks in pro-

(See BAN, page 11)

Elias Bros. to widen its Big Boy holdings

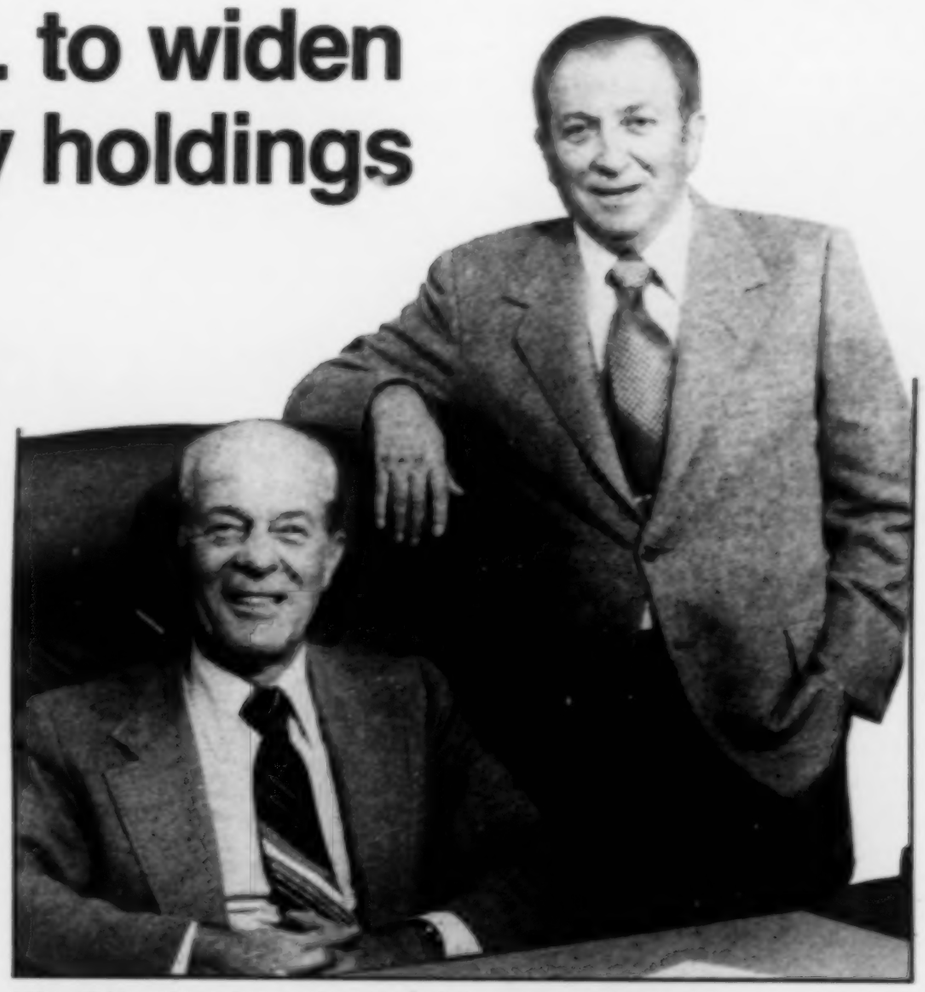
By David Zuckerman

WASHINGTON — Marriott Corp., stepping up the unification of its 860-unit Big Boy coffee shop network, has hammered out a new agreement that will extend the territorial domain of Warren, Mich.-based Elias Bros. to include the company-dominated Cleveland market.

Just last week, Marriott settled a three-month court battle with Salt Lake City-based J.B.'s, by granting the 106-unit Big Boy franchisee an additional five states in which to expand.

Elias, with some 216 Big Boy stores in Michigan and Ontario, Canada, became the largest franchisee in the Big Boy system when Nashville-based Shoney's severed ties with parent Marriott last year.

Under terms of the new pact, which has not been finalized, Elias has agreed to develop 22 additional Big Boy restaurants in the Cleveland and northern Ohio vicinity during the next 10 years. In addition, Elias will acquire 26 Cleveland-area Bob's Big Boy units from Marriott, to be operated under a separate licensing agreement.



The Elias brothers: Fred (left) and Louis.

(Marriott cut a similar deal with J.B.'s by including 29 company-operated Bob's Big Boys in the northern California market as part of that settlement.)

"The Cleveland region is only 250 miles from our home base in Warren which makes the area ideal for development by our company," said Elias Bros. vice president and general counsel Rick Hamlyn. "While we've agreed to develop 22 additional Big Boy units over a 10-year period, our demographic studies show that we can probably build 35-40 new stores in the Cleveland region by 1995."

As for the 26 Bob's Big Boys acquired from Marriott, Elias plans to take possession by late March or early April.

Nutrition trend tops agenda at COEX '85

By Charles Bernstein

MIAMI BEACH — A strong nutritional and lower-calorie emphasis are here to stay, research presented at IFMA's annual Chain Operators Exchange (COEX) conference indicated. But chain sources themselves weren't so sure that customers really care about nutrition as much as they say in surveys, or that "healthy food" chains necessarily are guaranteed successes.

Presenting the results of his national consumer survey at the conference, National Eating Trends vice president Harry Balzer said 71% of the respondents said (with regard to fast-food places) that they were interested in fresh food, 67% in nutritious food and 58% in "healthy items."

"Seven or eight of 10 consumers feel fresh ingredients are crucial," said Balzer, "more so for upscale restaurants. When customers are asked to rate the most important single element on the nutritional list, one-third say 'low calorie' items, one-third 'items made from scratch.'"

"How you interpret these surveys depends a lot on the way a question is asked," he said. "On balance, it would seem there is great potential for such 'healthy food' chains as D'Lites."

William Welter, Wendy's executive vice president of marketing, stressed the importance of Wendy's "garden" salad bar, chicken filet, baked potatoes and new multigrain bun as "lighter alternatives that are greatly boosting our volume."

In a session on "Turning Data into Decisions," moderator Brian Harron of Harron Enterprises, Scottsdale, Ariz., said that "due to computers, never before has so much information been available for strategic planning, but never before has so much analysis been needed."

Ernest Renaud, corporate development senior vice president of Investors Management Corp., Raleigh, N.C., and former president-ceo of Jerrico, compared 400-unit IMC (which operates Golden Corral and other chains) to Long John Silver's 12 years ago, when it had 400 units. Strategic planning "can't be a structured once-a-year thing," he said, "and must relate to the external environment."

COMMODITIES

Predicting yields gets tougher as uncertainty grows

By Gary S. Friedman
Commodities Analyst

Uncertainty about the present and future solvency of rural agricultural banks and their ability to continue to provide credit to producers, as well as the debate over the proposed Farm Bill, will make forecasting accurate planted acreage intentions and yields more difficult this year.

Official Government reports indicate a preliminary 82 million acres of corn to be planted, an increase of 2% over the year before. Soybean acreage is projected to fall 5%, to 64.4 million acres. Rice acreage is down 12%. Spring wheat planting intentions shows an increase in 8% acreage and winter wheat is down 9% from a year earlier.

While projecting acreage and yields has always been more an art than a science, this year the art is more difficult to master.

Planting intentions have always began with the primary source, the producer. Traditionally the farmer has been a taciturn sort of guy. He gives away information as easily as a corporation would show its competitor its five year strategic plan. Part of the cost of entry into the Government price-support programs for the producer is that very information. Compliance, once in the programs, is subject to spot checking for verification. Many are the times when accurate market information could not be projected, because the producer almost always waits until the deadline to decide to enter or not to enter the programs.

The financial network of lending institutions in the farm belt are in many areas in as bad shape as the farmers they lend. The only difference is that Hollywood has chosen not to make films about their plight this year. The banks may actively encourage Government program compliance to establish that one guaranteed source of income.

If Government program compliance seems in the best interests of many of the participants, why will this year's statistics be more difficult to forecast?

Some banks are going to be forced to cut back on their lending this year, which will mean less money for producers to buy seed, fertilizer or fuel. Although it is estimated that less than 1% of corn acreage, for example, will not be planted due to lack of bank financing, the affect will be felt in other ways. Modern farm production has been heavily dependent on fertilizer to reach the spectacular yields that have become commonplace. Fertilizer spread more thinly and other resource allocation choices will become prevalent this year. Producers will have to worry more about costs vs. returns than ever before.

Not to be underestimated either is the growing producer dissatisfaction and distrust of what they see as the Government programs that got themselves in their current mess. Some analysts have gone on record as saying that angry producers are deliberately understating planting intentions in order to encourage a bull market or to voice resentment at the Boards of Trade and Exchanges that producers view as less than benign manipulators of the farmers' fate.

What is the likely affect this will have on prices? It depends on which side of the table you sit.

PRICE MOVEMENT AT A GLANCE

	2/20/85	Year Ago
Corn, No. 2 yel, Cent-Ill. bu.	2.65	3.10
Broilers, dressed "A," NY lb.	0.5781	0.6524
Eggs, lrg white, Chgo dz.	0.52-0.55	0.97
Hams, 17-20 lb., mid-US lb., fob	0.77	0.65½
Soybeans, No. 1 yel, Cent-Ill. bu.	5.75½	7.15½
Sugar, cane, raw, world, lb. fob.	0.0368	0.0640
Wheat, No. 2 HRW, KC bu.	3.71½	3.68½

Source: NRN research

FINANCIAL NEWS

NRN Index slips to 119.4 in holiday-shortened week

(Continued from page 66)

trials from a year ago, the *NRN* Index has outperformed the leading market gauge by about 12%. A year ago the Dow stood at 1,165.10, and the *NRN* Index at 95.

Two food-service issues hit 52-week lows and nine hit 52-week highs. Fresher Cooker found a new bottom at $3, down 25¢ on the week, off from a yearlong high of $6.75.

Rax Restaurants bottomed at $8, down $2 in the week, the biggest percentage loss of the crop. Rax had traded as high as $16.75 in the last 12 months.

Rax posted a deficit in the second quarter ended Jan. 28 of $537,000 vs. net profit of $655,000 a year before. The company said it expects to reduce its loss in the third quarter and return to profitability in the fourth, giving it a profitable year.

Cracker Barrel, another major loser, posted second quarter losses of $156,334, compared with net of $103,132 a year before. The stock dropped $1.75, to $12.75.

USA Cafes led the volume surgers list with trading 473% heavier than its 12-week trailing average. The stock inched up 13¢, to $5.38.

Wendy's, on strong earnings news that apparently came as no surprise to followers, was unchanged at $21, just 63¢ shy of its yearlong high.

VOLUME TREND LEADERS

Company Name	Volume Trend Change %	Company Name	Volume Trend Change %
USACafes ..... M	473.3	Pancho Mex Buffet M	127.8
Shoney's South ..... M	268.1	Vie de France ..... M	108.4
Naugles Inc ..... M	225.8	Restaurant Sys ..... M	101.0
JB's Rest ..... M	160.8	Intl King Tab ..... M	96.7
Wstn Steer ..... M	130.4	Consol Prdts ..... M	91.7

TOP TEN GAINERS

Company Name	Weekly Price Change %	Company Name	Weekly Price Change %
Kapok Cp ..... A	26.3	Vicorp Restaurants ..M	12.9
Peoples Rest ..... M	25.0	Rest Assoc ..... A	12.1
DLites Of Amer ..... M	14.4	Intl King Tab ..... M	11.5
Good Taco ..... M	14.3	Calibre Cp ..... M	9.1
Hungry Tiger ..... M	13.5	Pancho Mex Buffet .M	7.3

TOP TEN LOSERS

Company Name	Weekly Price Change %	Company Name	Weekly Price Change %
Rax Restaurants ..... M	- 20.0	Allegheny Bev ..... M	- 10.9
Ritzys G D ..... M	- 14.3	Naugles Inc ..... M	- 10.6
Fast Food Oper ..... O	- 14.3	1 Potato 2 ..... O	- 10.5
Esteban Foods ..... O	- 12.5	Mr Steak ..... O	- 9.5
Cracker Barrel ..... M	- 12.1	Concept Dev ..... O	- 8.3

Stock Market / Financial Update

Company and Market	2-22-85 Close	Price: Weekly Change Amt.	Price: Weekly Change Pct.	Price: Weekly Range High	Price: Weekly Range Low	Price: 52-Week Range High	Price: 52-Week Range Low	Volume: Weekly Shares Traded Total	Volume: Weekly Shares Traded % Out	Volume: 12-Week Avg. Vol. As % Out	Volume: Volume Trend Change	P/E Ratio	Indicated Divd. Rate Amt.	Indicated Divd. Rate Yld.	Latest Report: New Report	Latest Report: Period	Latest Report: Date Ended	Latest Quarter: Revenue Amt.	Latest Quarter: Revenue Chg.	Latest Quarter: Net Income Amt.	Latest Quarter: Net Income Chg.	Latest Quarter: E.P.S. Amt.	Latest Quarter: E.P.S. Chg.	Year-to-Date: Revenue Amt.	Year-to-Date: Revenue Chg.	Year-to-Date: Net Income Amt.	Year-to-Date: Net Income Chg.	Year-to-Date: E.P.S. Amt.	Year-to-Date: E.P.S. Chg.
-	$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mill	%	$Mill	%	$	%	$Mill	%	$Mill	%	$	%
Food-Service Operators																													
A&M Food Svcs ..... M	5.63	.38	7.1	5.75	5.25	7.50	3.50	241	.68	.82	- 17.1	16.1	.00	.0	.....	9 mos.	09-84	8.1	26.6	.4	.0	.11	- 26.7	22.1	28.5	1.1	22.2	.30	- 14.3
Acapulco Rests ..... O	4.25	- .25	- 5.6	4.63	4.25	5.00	3.50	135	.54	.75	- 28.0	17.0	.00	.0		fiscal	10-84	10.3	5.1	.3	NE	.11	NE	38.6	1.8	.6	NE	.25	NE
Amer Rest ..... O	4.25	.00	.0	4.38	4.25	6.00	2.38	127	.56	1.10	- 49.1	22.4	.00	.0	.....	9 mos.	10-84	4.6	21.1	.1	.0	.02	- 71.4	13.6	20.4	.3	.0	.12	- 40.0
Assoc Hosts ..... M	12.13	.13	1.0	12.38	11.75	17.13	10.50	550	1.24	2.78	- 55.4	14.6	.12	1.0	.....	3 mos.	12-84	22.5	- 1.3	.7	- 12.5	.16	- 11.1	22.5	- 1.3	.7	- 12.5	.16	- 11.1
Beefsteak Char ..... A	2.00	- .13	- 5.9	2.13	2.00	4.63	1.75	178	.31	.89	- 65.2	NE	.00	.0	.....	fiscal	10-84	23.5	7.8	(6.3)	NE	(1.13)	- 100.0	92.2	- 3.2	(8.0)	NE	(1.43)	- 100.0
Benihana Natl ..... M	18.75	.38	2.0	18.88	17.50	18.75	4.50	814	2.80	3.68	- 23.9	24.7	.00	.0		9 mos.	12-84	15.4	208.0	.7	75.0	.23	64.3	39.7	166.4	1.8	63.6	.62	47.6
Bob Evans Farms ..... M	18.25	- .88	- 4.6	19.00	18.25	20.25	14.75	672	.41	.76	- 46.1	17.7	.30	1.6	.....	6 mos.	10-84	58.1	12.6	4.6	9.5	.28	12.0	112.1	13.3	9.0	8.4	.55	10.0
Calibre Cp ..... M	1.50	.13	9.1	1.50	1.25	9.00	1.00	94	.31	.54	- 42.6	NE	.00	.0	.....	3 mos.	10-84	3.5	9.4	(.7)	NE	(.22)	NE	3.5	9.4	(.7)	NE	(.22)	NE
Calny Food ..... M	12.00	.13	1.1	12.25	12.00	12.25	7.25	749	1.65	2.72	- 39.3	19.0	.16	1.3	.....	9 mos.	11-84	13.6	24.8	.9	80.0	.19	46.2	38.6	18.0	2.3	53.3	.50	28.2
Capt Crab ..... M	2.38	.13	5.6	2.50	2.13	6.13	1.38	2,023	1.32	1.39	- 5.0	NE	.00	.0		fiscal	08-84	1.7	466.7	(.4)	NC	(.03)	NE	5.4	260.0	(1.0)	NC	(.08)	NE
Carrols Cp ..... N	11.13	.38	3.5	11.13	10.63	11.50	7.13	669	.86	1.05	- 18.1	15.9	.07	.6	.....	6 mos.	11-84	36.3	23.5	1.8	63.6	.22	22.2	74.6	21.3	3.9	34.5	.50	4.2
Chi-Chi's ..... M	11.63	- .25	- 2.1	11.63	10.88	19.50	10.00	5,755	2.14	4.55	- 53.0	17.4	.00	.0	.....	6 mos.	10-84	52.3	40.6	4.5	2.3	.16	- 15.8	97.5	34.1	9.5	18.8	.35	2.9
Chili's inc ..... M	23.38	- .25	- 1.1	23.88	23.38	25.63	12.75	465	1.03	2.57	- 59.9	34.4	.00	.0	.....	6 mos.	12-84	16.0	58.4	1.0	150.0	.20	81.8	31.0	52.7	1.9	137.5	.41	78.3
Churchs Fr Ch ..... N	34.88	.13	.4	35.50	34.13	35.50	21.38	3,918	2.08	2.27	- 8.4	19.3	.80	2.3		9 mos.	09-84	124.8	13.0	10.4	- 2.8	.55	- 17.9	355.5	17.4	28.1	19.6	1.49	11.2
Collins Foods ..... N	20.13	- 1.38	- 6.4	21.63	19.75	22.13	9.91	1,318	1.51	2.03	- 25.6	15.7	.16	.8	.....	6 mos.	10-84	114.8	16.5	5.1	15.9	.39	14.7	229.9	20.3	9.9	19.3	.75	15.4
Concept Dev ..... O	8.25	- .75	- 8.3	9.00	8.25	17.69	5.75	90	.17	2.11	- 91.9	15.9	.00a	.0	.....	3 mos.	09-84	10.9	19.8	.0	- 100.0	.00	- 100.0	10.9	19.8	.0	- 100.0	.00	- 100.0
Consol Prdts ..... M	5.00	- .13	- 2.4	5.13	4.75	8.63	4.75	327	.92	.48	91.7	14.3	.00	.0	.....	3 mos.	12-84	15.2	- 1.9	.3	- 25.0	.10	.0	15.2	- 1.9	.3	- 25.0	.10	.0
Consul Restaurant ..... M	5.38	- .38	- 6.5	5.88	5.13	13.88	4.50	790	1.75	2.68	- 34.7	89.6	.00	.0	.....	6 mos.	11-84	20.9	32.3	(.4)	- 100.0	(.11)	- 100.0	42.0	32.9	(.4)	- 100.0	(.10)	- 100.0
Cracker Barrel ..... M	12.75	- 1.75	- 12.1	14.25	12.25	23.50	11.75	624	1.75	.95	84.2	13.6	.14	1.1	.....	3 mos.	10-84	16.6	18.6	.8	.0	.26	- 13.3	16.6	18.6	.8	.0	.26	- 13.3
Cucos Inc ..... O	5.25	.25	5.0	5.75	5.00	5.25	2.75	60	.53	1.05	- 49.5	27.6	.00	.0	.....	9 mos.	03-84	.7	NC	.1	NC	.03	NC	2.1	NC	.1	NC	.10	NC
Diversifoods ..... M	9.75	- .13	- 1.3	9.88	9.63	16.75	8.00	15,890	4.71	7.36	- 36.0	18.1	.34	3.5	NEW	fiscal	12-84	133.7	6.8	(3.9)	NE	(.12)	NE	554.4	14.5	18.3	- 10.7	.54	- 11.5
DLites Of Amer ..... M	12.88	1.63	14.4	13.00	11.13	15.50	10.88	2,170	4.30	3.79	13.5	NM	.00	.0	.....	9 mos.	12-84	2.8	86.7	.2	100.0	.04	33.3	7.5	70.5	.3	50.0	.09	28.6
Dunkin Donuts ..... M	27.75	.63	2.3	27.75	27.00	28.00	18.38	1,120	2.36	1.75	34.9	14.8	.32	1.2	.....	fiscal	10-84	22.8	12.9	2.1	10.5	.43	16.2	85.5	10.3	9.1	15.2	1.87	15.4
El Chico ..... M	9.50	.50	5.6	9.75	8.88	10.25	7.25	793	1.71	1.07	59.8	12.0	.00	.0	.....	6 mos.	11-84	20.1	4.7	.9	- 50.0	.19	- 52.5	41.2	7.3	1.8	.0	.39	- 2.5
El Torito Rest ..... N	14.75	.50	3.5	14.75	14.00	14.88	9.13	931	.89	.80	11.3	15.2	.00	.0	.....	fiscal	12-84	61.1	13.6	2.1	16.7	.19	35.7	250.1	18.7	11.1	29.1	.37	42.6
Fast Food Oper ..... O	.75	- .13	- 14.3	0.88	0.69	1.88	.69	762	1.29	.98	31.6	12.5	.00	.0	.....	fiscal	12-83	1.6	33.3	.1	.0	.04	100.0	6.1	32.6	.3	.0	.05	20.0
Flakey Jakes ..... M	7.75	- .25	- 3.1	7.88	7.50	9.13	5.13	1,214	1.74	2.22	- 21.6	NE	.00	.0	.....	9 mos.	09-84	3.3	371.4	(.3)	NE	(.05)	NE	6.6	340.0	(.7)	NE	(.11)	NE
Fresher Cooker ..... O	3.00	- .25	- 7.7	3.38	3.00	6.75	3.00	63	.37	.42	- 11.9	NE	.00	.0	.....	fiscal	12-83	NC	NC	NC	NC	NC	NC	2.4	- 4.0	(.9)	NE	(.54)	NE
Frisch's ..... A	20.00	- .38	- 1.8	20.50	19.75	20.88	12.00	48	.11	.22	- 50.0	17.2	.22	1.1	.....	6 mos.	11-84	30.1	9.5	1.2	20.0	.28	33.3	70.6	8.3	2.9	7.4	.65	8.2
Fuddruckers Inc ..... M	10.75	- .50	- 4.4	10.88	10.13	16.25	8.50	1,321	2.03	3.30	- 38.5	NM	.00	.0	.....	9 mos.	09-84	7.2	188.0	.6	500.0	.09	350.0	16.9	125.3	.0	- 100.0	.00	- 100.0
Garcias Scot ..... M	2.38	.06	2.7	2.38	2.25	6.50	1.63	308	.51	2.92	- 82.5	NE	.00	.0	.....	9 mos.	09-84	12.3	39.8	(.5)	NE	(.08)	NE	42.0	51.6	(.5)	NE	(.08)	NE
Good Taco ..... M	.50	.06	14.3	0.50	0.38	4.88	.25	556	1.87	2.89	- 35.3	NE	.00	.0	.....	6 mos.	06-84	.4	100.0	(.3)	NE	(.11)	NE	.8	166.7	(.6)	NE	(.24)	NE
Hamburg Hamlet ..... O	13.50	.25	1.9	14.25	13.25	14.50	9.75	0	.00	.17	-100.0	11.6	.00	.0	.....	fiscal	03-84	9.3	2.2	.2	NE	.30	NE	35.5	4.4	.8	NE	1.16	NE
Hungry Tiger ..... M	5.25	.63	13.5	5.25	4.75	7.50	3.63	555	1.93	1.65	17.0	27.6	.00	.0	.....	3 mos.	11-84	14.4	- 4.6	(.1)	NE	(.04)	NE	14.4	- 4.6	(.1)	NE	(.04)	NE
Intl Dairy Queen ..... O	50.50	.00	.0	51.50	50.50	50.50	33.00	8	.04	.24	- 83.3	14.1	.00	.0		fiscal	11-84	25.8	14.7	1.0	.0	.55	41.0	132.3	17.2	7.7	6.9	3.53	21.8
Intl King Tab ..... M	21.75	2.25	11.5	22.00	19.75	21.75	11.59	1,694	5.94	3.02	96.7	16.4	.00a	.0		3 mos.	09-84	19.2	6.7	1.1	37.5	.36	20.0	19.2	6.7	1.1	37.5	.36	20.0
JB's Rest ..... M	20.00	.88	4.6	20.00	18.88	20.00	10.38	2,192	9.44	3.62	160.8	16.1	.20	1.0	.....	3 mos.	12-84	18.7	41.7	.6	.0	.26	8.3	18.7	41.7	.6	.0	.26	8.3
Jerrico Inc ..... M	18.75	.25	- 1.3	19.13	18.75	19.25	11.88	2,351	1.49	3.35	- 55.5	13.6	.12	.6	.....	6 mos.	12-84	123.4	9.4	4.1	32.3	.26	30.0	255.3	8.5	10.4	15.6	.66	15.8
Kapok Cp ..... A	3.00	.63	26.3	3.00	2.25	4.63	1.13	160	.71	1.10	- 35.5	NE	.00	.0		fiscal	09-83	3.1	72.2	(4.0)	NE	(.33)	NE	12.3	7.9	(2.1)	NE	(1.29)	NE
Karcher Carl ..... M	18.25	.13	.7	18.50	16.38	29.63	13.50	1,814	2.57	3.17	- 18.9	10.9	.00	.0	.....	6 mos.	07-84	80.7	17.1	3.3	- 2.9	.52	8.3	178.8	19.5	6.9	3.0	1.00	5.3
Kelly-Johnston ..... M	1.06	.06	6.3	1.19	0.81	8.75	.75	4,861	5.70	6.39	- 10.8	NE	.00	.0	.....	3 mos.	06-84	28.3	155.0	(3.7)	- 100.0	(.44)	- 100.0	28.3	155.0	(3.7)	- 100.0	(.44)	- 100.0
Luby's Cafe ..... N	30.00	.00	.0	30.00	29.38	32.00	23.63	112	.09	.58	- 84.5	21.0	.54	1.8	.....	fiscal	08-84	48.7	23.6	5.0	28.2	.41	173.3	174.9	21.4	17.4	25.2	1.43	24.3
Marcus Corp ..... M	15.88	.13	.8	16.00	15.75	16.13	11.75	74	.15	.28	- 46.4	10.8	.28	1.8	.....	6 mos.	11-84	30.2	4.5	2.0	.0	.39	5.4	63.7	3.6	4.8	2.1	.94	3.3
Marriott Corp ..... N	83.50	- 1.50	- 1.8	86.38	83.50	86.38	58.50	975	.38	.73	- 47.9	16.7	.54	.6	.....	fiscal	12-84	1122.2	18.3	43.8	41.3	1.47	32.4	3524.9	16.1	139.8	21.4	5.01	20.7
Maverick Rest ..... O	2.75	.00	.0	2.88	2.75	6.25	2.25	59	.12	.67	- 82.1	16.2	.00	.0	.....	9 mos.	10-84	3.0	87.5	.1	- 50.0	.03	.0	8.3	76.6	.6	50.0	.13	44.4
Max Erma's ..... O	3.75	.25	7.1	4.00	3.50	6.88	2.50	62	.35	1.00	- 65.0	NE	.00	.0		3 mos.	01-84	4.4	12.8	(.2)	NC	(.10)	NE	4.4	12.8	(.2)	NC	(.10)	NE
McDonald's Cp ..... N	59.50	- .63	- 1.0	60.00	58.75	61.75	40.84	9,657	1.11	1.15	- 3.5	13.9	.82	1.4	.....	9 mos.	09-84	784.8	- 4.1	114.3	13.6	1.30	16.1	2395.1	7.6	297.9	13.4	3.37	15.4
Morrison Inc ..... M	18.88	- .13	- .7	19.00	18.88	19.00	13.13	1,389	1.01	1.42	- 28.9	12.6	.48	2.5	.....	6 mos.	11-84	120.2	7.1	5.3	1.9	.39	5.4	238.1	6.4	9.9	1.0	.73	4.3
Mr Steak ..... O	2.38	- .25	- 9.5	2.63	2.38	3.25	1.13	663	1.38	1.21	14.0	NE	.00	.0	.....	3 mos.	12-84	13.9	- 9.2	.1	NC	.02	100.0	13.9	- 9.2	.1	NC	.02	100.0
Nankin Express ..... O	1.50	.00	.0	1.88	1.50	2.50	1.00	194	.87	1.20	- 27.5	NE	.00	.0	.....	9 mos.	10-84	.3	50.0	(.3)	NC	(.10)	NE	.7	40.0	(.6)	NE	(.25)	NE
Nathans ..... O	3.25	.00	.0	3.50	3.25	4.50	1.78	30	.13	1.77	- 92.7	13.0	.00a	.0	NEW	9 mos.	12-84	5.0	11.1	.1	.0	.03	- 57.1	17.2	8.2	.9	28.6	.39	18.2
Natl Pizza ..... O	9.25	- .25	- 2.6	10.00	9.25	9.75	7.50	220	.40	.23	73.9	10.3	.00	.0	.....	9 mos.	12-84	9.9	73.7	.8	300.0	.15	1400.0	30.4	25.6	2.8	16.7	.56	24.4
Naugles Inc ..... M	5.25	- .63	- 10.6	5.88	5.00	14.50	4.88	9,168	20.56	6.31	225.8	NE	.00	.0		6 mos.	12-84	27.6	- 3.5	(.1)	- 100.0	(.04)	- 100.0	65.9	4.4	.3	- 84.2	.06	- 85.4
1 Potato 2 ..... O	2.13	- .25	- 10.5	2.38	2.13	12.25	1.88	117	.53	1.87	- 71.7	42.5	.00	.0	.....	6 mos.	06-84	3.3	NC	(.6)	NC	(.25)	NC	7.1	NC	(1.0)	NC	(.44)	NC

Reporting Period

3 mos. - First quarter of fiscal year
6 mos. - First six months of fiscal year
9 mos. - First nine months of fiscal year
fiscal - Fiscal year
NEW - New report since last issue

General Field Footnotes

NA - Not available or not applicable.
NC - Data required for calculation currently incomplete in our files.
NE - Negative earnings invalidate calculations.
NM - No meaningful figure.
a - Under dividend amount, an 'a' indicates a stock dividend.
b - Indicates cash plus stock dividend when applied to dividend amount column.

Market

N - New York Stock Exchange
A - American Stock Exchange
O - NASDAQ Over-the-Counter
M - NASDAQ National Market

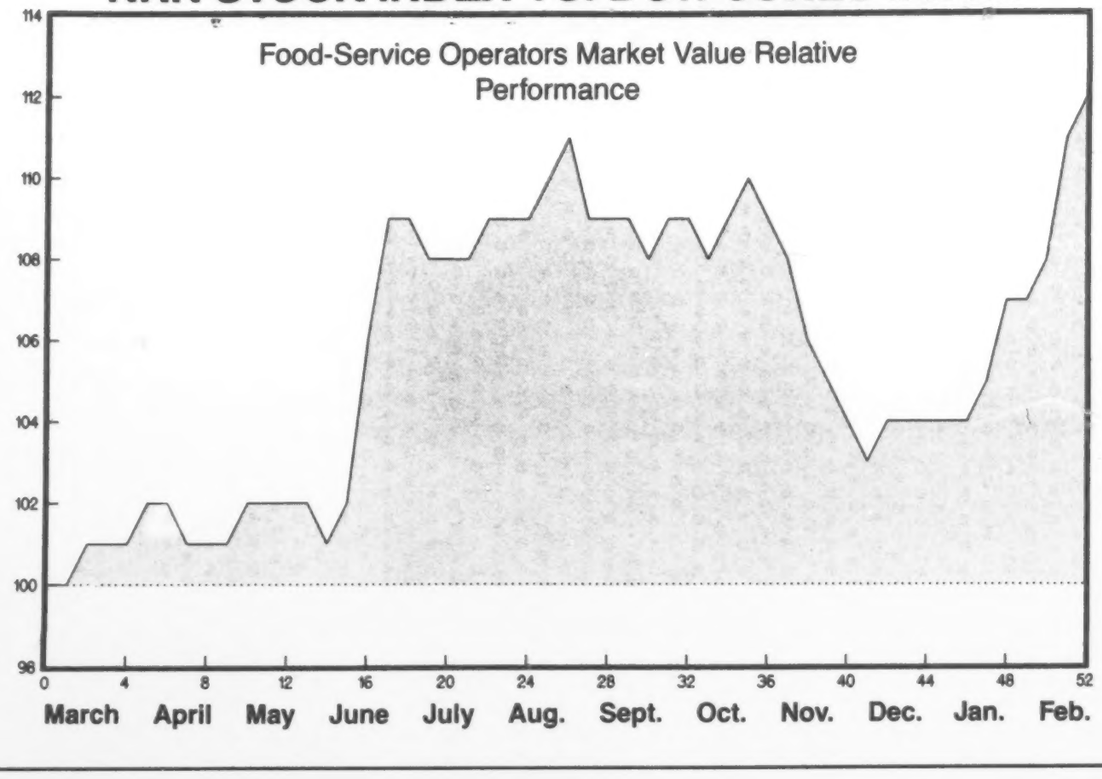
Data and Table Provided by Media General Financial Services, Inc., Richmond, Virginia 23219

NRN *STOCK INDEX*

Source: Media General Financial Services

Oct. 28, 1983 = 100

NRN *STOCK INDEX VS. DOW JONES INDEX*



Company and Market	Stock Market: Price 2-22-85 Close	Price: Weekly Change Amt.	Price: Weekly Change Pct.	Price: Weekly Range High	Price: Weekly Range Low	Price: 52-Week Range High	Price: 52-Week Range Low	Volume: Weekly Shares Traded Total	Volume: Weekly Shares Traded % Out	Volume: 12-Week Avg. Vol. As % Out	Volume: Volume Trend Change	P/E Ratio	Indicated Divd. Rate Amt.	Indicated Divd. Rate Yld.	Latest Report: New Report	Latest Report: Period	Latest Report: Date Ended	Latest Quarter: Revenue Amt.	Latest Quarter: Revenue Chg.	Latest Quarter: Net Income Amt.	Latest Quarter: Net Income Chg.	Latest Quarter: E.P.S. Amt.	Latest Quarter: E.P.S. Chg.	Year-to-Date: Revenue Amt.	Year-to-Date: Revenue Chg.	Year-to-Date: Net Income Amt.	Year-to-Date: Net Income Chg.	Year-to-Date: E.P.S. Amt.	Year-to-Date: E.P.S. Chg.
-	$	$	%	$	$	$	$	(100)	%	%	%	-	$	%	-	-	-	$Mil	%	$Mil	%	$	%	$Mil	%	$Mil	%	$	%
Old Fashion Fd O	5.00	.00	.0	5.50	5.00	6.25	4.00	27	.19	.44	- 56.8	9.8	.00	.0	.....	6 mos.	11-84	3.5	34.6	.1	- 50.0	.11	- 26.7	6.8	36.0	.3	- 25.0	.24	- 20.0
Pancho Mex Buffet M	7.38	.50	7.3	7.63	6.50	8.25	5.88	821	3.03	1.33	127.8	13.2	.13	1.8	.....	3 mos.	12-84	7.9	14.5	.2	.0	.09	12.5	7.9	14.5	.2	.0	.09	12.5
Peoples Rest M	.63	.13	25.0	0.63	0.38	5.00	.25	4,329	5.03	7.31	- 31.2	NE	.00	.0	.....	3 mos.	09-84	8.3	- 30.3	(3.3)	- 100.0	(.39)	- 100.0	8.3	- 30.3	(3.3)	- 100.0	(.39)	- 100.0
Piccadilly Caf M	23.00	.25	1.1	23.25	22.38	24.25	16.00	488	.81	1.37	- 40.9	13.3	.60	2.6	.....	6 mos.	12-84	48.4	8.3	3.0	30.4	.50	28.2	94.8	10.9	5.7	54.1	.95	53.2
Pizza Inn A	9.63	- .38	- 3.8	10.00	9.63	12.75	6.88	141	.46	1.21	- 62.0	9.3	.08	.8	.....	9 mos.	09-84	48.6	24.6	.6	- 33.3	.20	- 33.3	135.6	21.7	2.5	- 13.8	.81	- 12.9
Po-Folks M	11.25	- .13	- 1.1	11.50	11.13	16.63	8.75	254	.57	1.01	- 43.6	15.0	.00	.0	.....	fiscal	09-84	31.3	46.9	1.0	- 23.1	.23	- 37.8	107.1	53.4	3.3	153.8	.75	102.7
Ponderosa Sys N	13.25	- .13	- .9	13.38	13.00	22.88	11.50	1,406	1.47	3.26	- 54.9	7.7	.40	3.0	.....	9 mos.	11-84	122.8	33.8	2.3	109.1	.22	69.2	366.8	32.0	11.5	32.2	1.28	18.5
Primo Inc O	3.50	- .25	- 6.7	3.63	3.50	6.00	2.38	306	.91	1.54	- 40.9	NE	.00	.0	.....	fiscal	09-84	.9	.0	(.2)	- 100.0	(.07)	- 100.0	3.8	46.2	(.2)	- 100.0	(.08)	- 100.0
Rax Restaurants M	8.00	- 2.00	- 20.0	9.75	8.00	16.75	8.00	911	1.44	1.61	- 10.6	11.8	.00	.0	.....	fiscal	07-84	26.9	18.5	1.7	30.8	.27	3.8	92.9	27.4	4.2	61.5	.68	19.3
Rest Assoc A	8.13	.88	12.1	8.25	7.25	8.88	5.38	253	.91	1.45	- 37.2	11.1	.00	.0	.....	9 mos.	09-84	35.0	- 4.1	.4	- 33.3	.14	- 39.1	97.8	- 7.3	1.0	- 23.1	.35	- 30.0
Restaurant Sys M	14.75	- .25	- 1.7	15.25	14.50	15.25	9.00	447	1.93	.96	101.0	16.6	.00	.0	NEW	fiscal	12-84	8.5	13.3	.5	25.0	.21	23.5	36.4	23.0	2.1	50.0	.89	23.6
Ritzys G D M	3.00	- .50	- 14.3	3.50	2.75	9.00	1.75	516	.99	1.56	- 36.5	NE	.00	.0	.....	9 mos.	09-84	4.4	83.3	(.5)	NE	(.11)	NE	10.6	103.8	(1.6)	NE	(.31)	NE
Rusty Pelican M	14.25	- .25	- 1.7	14.50	14.25	18.25	11.00	310	1.10	2.58	- 57.4	19.0	.00	.0	.....	6 mos.	01-85	10.9	43.4	.2	- 50.0	.04	- 73.3	21.5	40.5	.5	- 16.7	.18	- 35.7
Ryans Fam Steak M	17.25	- .09	- .5	17.75	17.00	17.34	10.69	436	.67	2.45	- 72.7	33.8	.00	.0	.....	fiscal	12-84	9.3	66.1	1.0	42.9	.16	45.5	32.0	66.7	3.3	57.1	.51	45.7
Saga Corp N	30.38	1.13	3.8	30.50	29.50	35.50	25.50	2,272	1.74	1.94	- 10.3	11.9	.52	1.7	.....	6 mos.	12-84	331.1	8.6	13.7	13.2	1.03	8.4	602.7	11.3	19.4	18.3	1.45	11.5
Sandwich Chef M	8.75	.25	2.9	8.75	8.50	11.75	6.75	103	.82	.97	- 15.5	14.3	.00	.0	.....	6 mos.	12-84	7.1	14.5	.1	.0	.11	37.5	14.0	13.8	.3	.0	.27	28.6
Sea Galley M	7.13	- .38	- 5.0	7.50	7.13	11.00	6.50	874	2.22	3.70	- 40.0	NE	.00	.0	.....	9 mos.	09-84	15.7	- 14.2	3.0	NE	.76	- 69.0	48.3	- 11.9	5.3	NE	1.35	- 16.1
Shoney's Inc M	26.63	- .50	- 1.8	27.00	26.50	27.88	16.22	2,462	.87	1.18	- 26.3	18.4	.15	.6		fiscal	10-84	109.8	11.2	8.3	31.7	.65	170.8	469.8	19.6	30.2	29.1	1.45	64.8
Shoney's South M	15.50	- .13	- .8	15.50	15.13	16.59	11.00	2,395	4.27	1.16	268.1	13.1	.00	.0	.....	9 mos.	09-84	40.1	14.2	1.8	12.5	.32	23.1	127.3	17.2	5.8	48.7	1.00	19.0
SIS Cp M	5.25	.25	5.0	5.25	5.00	8.50	3.25	27	.17	1.05	- 83.8	NE	.00	.0	.....	9 mos.	09-84	2.1	61.5	(.1)	- 100.0	(.02)	- 100.0	5.6	86.7	(.1)	- 100.0	(.05)	- 100.0
Sizzler Rest Intl M	18.50	- 1.50	- 7.5	20.00	18.50	20.00	9.25	810	1.19	.92	29.3	14.8	.00	.0	.....	3 mos.	07-84	40.0	11.7	2.5	25.0	.37	27.6	40.0	11.7	2.5	25.0	.37	27.6
Skippers M	11.25	- .75	- 6.3	11.63	11.25	12.13	8.00	255	.93	1.51	- 38.4	12.1	.06	.5	.....	fiscal	12-84	20.8	28.4	.9	50.0	.33	50.0	63.1	26.2	2.5	25.0	.93	14.8
So Hospitality M	5.50	- .38	- 6.4	5.75	5.50	5.88	3.75	925	1.93	3.67	- 47.4	15.7	.00	.0	.....	6 mos.	11-84	10.3	18.4	.4	33.3	.08	14.3	21.0	25.7	.8	33.3	.16	14.3
Taco Viva M	10.50	- .50	- 4.5	10.75	10.00	11.25	7.00	517	2.26	1.20	88.3	19.8	.00	.0	.....	6 mos.	11-84	5.6	55.6	.3	200.0	.12	50.0	12.2	74.3	.6	100.0	.26	30.0
TGI Friday's N	11.50	- .25	- 2.1	11.75	11.38	13.13	7.88	332	.29	1.26	- 77.0	17.7	.00	.0	.....	fiscal	12-84	75.6	37.5	3.2	88.2	.17	54.5	285.0	24.2	11.9	14.4	.65	.0
TGIF Texas O	2.38	.00	.0	2.75	2.38	4.50	2.25	71	.47	.31	51.6	NE	.00	.0	.....	3 mos.	03-84	2.6	18.2	(.1)	NC	(.07)	- 100.0	2.6	18.2	(.1)	NC	(.07)	- 100.0
Transworld N	35.63	- 1.88	- 5.0	37.63	35.25	37.63	24.50	8,086	2.47	2.42	2.1	11.3	.40	1.1	.....	fiscal	12-84	522.9	3.0	29.5	NE	.75	- 62.1	2002.0	6.0	115.0	NE	3.14	NE
USACafes M	5.38	.13	2.4	5.75	5.00	5.75	2.75	9,188	14.62	2.55	473.3	NA	.14	2.6				NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Vicorp Restaurants M	24.00	2.75	12.9	24.38	21.25	24.00	13.25	4,261	6.42	3.50	83.4	18.2	.12	.5	.....	fiscal	10-84	87.2	143.6	2.9	52.6	.45	40.6	242.3	158.3	8.7	81.3	1.32	55.3
Victoria Stations M	3.88	.00	.0	4.00	3.75	8.00	2.13	508	1.44	5.13	- 71.9	NE	.00	.0	.....	6 mos.	09-84	22.2	- 3.5	(1.7)	NE	(.47)	NE	45.9	- 3.6	(2.5)	NE	(.70)	NE
Wendys Intl N	21.00	.00	.0	21.63	20.75	21.63	13.13	16,083	2.93	2.23	31.4	16.8	.28	1.3	NEW	fiscal	12-84	249.9	27.0	17.6	18.9	.32	18.5	944.8	32.1	68.7	24.5	1.25	23.8
Wstn Steer M	9.50	- .50	- 5.0	10.00	9.50	12.00	9.00	129	1.06	.46	130.4	16.7	.20	2.1	.....	9 mos.	11-84	11.2	24.4	.1	- 80.0	.05	- 87.5	31.0	25.5	.5	- 44.4	.38	- 54.2
Winners Cp N	7.63	- .13	- 1.6	8.13	7.25	13.38	5.13	676	1.55	1.20	29.2	15.6	.00	.0	.....	9 mos.	09-84	27.3	14.2	.2	- 75.0	.05	- 72.2	79.7	26.5	1.3	- 35.0	.30	- 34.8
Hotels, Motels, and Casinos																													
Brock Hotel Cp N	3.63	.13	3.6	3.88	3.50	6.63	2.63	574	.44	1.24	- 64.5	NE	.10	2.8	.....	9 mos.	09-84	60.0	- 26.7	(25.6)	NE	(1.95)	NE	211.0	- 10.6	(26.3)	NE	(1.77)	NE
Hilton Hotels N	62.75	1.25	2.0	63.25	61.13	63.25	45.50	867	.35	1.01	- 65.3	14.5	1.80	2.9	.....	fiscal	12-84	181.7	49.2	46.0	NE	1.77	88.3	686.6	12.3	114.0	32.7	4.33	35.3
Holiday Inns N	52.63	.75	1.4	52.88	51.38	52.88	35.25	5,602	1.60	4.42	- 63.8	14.7	.90	1.7	.....	fiscal	12-84	430.9	9.6	20.6	33.8	.59	40.5	1759.8	11.0	131.0	5.3	3.59	9.5
Prime Mtr Inn N	29.75	.00	.0	29.75	28.63	32.00	16.00	1,034	.71	1.18	- 39.8	23.2	.12	.4	.....	3 mos.	09-84	47.9	192.1	5.8	26.1	.40	25.0	47.9	192.1	5.8	26.1	.40	25.0
Ramada Inns N	7.13	- .13	- 1.7	7.38	6.88	8.75	5.13	5,434	1.46	2.43	- 39.9	23.8	.00	.0	.....	9 mos.	09-84	156.3	- 3.5	6.0	- 65.5	.16	- 67.3	448.0	2.3	6.8	74.4	.18	1700.0
Servico Inc M	19.00	.75	4.1	19.25	18.25	22.28	12.28	95	.27	.68	- 60.3	9.0	.00a	.0		9 mos.	09-84	48.9	24.7	3.4	385.7	.99	395.0	139.1	24.8	6.2	138.5	1.80	136.8
Sonesta Intl O	21.00	.00	.0	23.00	21.00	23.00	17.50	0	.00	.06	-100.0	NE	.40	1.9	.....	9 mos.	09-84	22.6	17.1	(.6)	- 100.0	(.38)	- 100.0	62.1	11.9	(.6)	- 100.0	(.41)	- 100.0
Other Companies with Food-Service Operations																													
Allegheny Bev M	19.50	- 2.38	- 10.9	20.63	18.63	22.63	13.50	2,021	3.37	2.47	36.4	12.5	.40	2.1	.....	9 mos.	09-84	167.3	27.2	2.4	- 11.1	.39	- 11.4	486.1	23.2	7.0	- 13.6	1.12	- 13.8
Ch Full O Nut N	8.50	- .13	- 1.4	8.75	8.50	14.56	7.63	122	.26	.80	- 67.5	NM	.48	5.6	.....	3 mos.	10-84	26.5	- 10.2	.1	- 83.3	.03	- 75.0	26.5	- 10.2	.1	- 83.3	.03	- 75.0
Disney, Walt N	76.50	- 2.00	- 2.5	78.88	75.88	81.13	45.25	6,253	1.85	2.70	- 31.5	62.7	1.20	1.6	.....	3 mos.	12-84	426.5	37.3	32.2	257.8	.95	179.4	426.5	37.3	32.2	257.8	.95	179.4
Esteban Foods O	1.75	- .25	- 12.5	2.00	1.75	3.50	1.13	127	.54	.83	- 34.9	19.4	.00	.0	.....	9 mos.	09-84	3.5	34.6	.0	NC	.02	.0	9.8	25.6	(.1)	- 100.0	(.02)	- 100.0
Gen Mills N	55.75	- 2.38	- 4.1	57.88	55.63	60.00	45.50	4,168	.92	1.94	- 52.6	13.3	2.24	4.0	.....	6 mos.	11-84	1559.4	2.6	55.6	- 31.9	1.23	- 28.1	2945.8	1.7	109.7	- 28.9	2.43	- 24.8
Grace W R N	40.50	- .13	- .3	41.00	40.25	44.50	36.50	2,725	.56	.98	- 42.9	10.1	2.80	6.9	.....	fiscal	12-84	1830.8	4.4	59.1	13.0	1.22	2.5	6727.8	8.2	195.6	27.0	4.02	26.8
Horn & Hardart A	10.63	- .50	- 4.5	11.25	10.38	21.19	8.63	837	.62	1.67	- 59.3	13.0	.00a	.0	.....	9 mos.	09-84	85.8	6.6	.5	- 87.8	.00	- 100.0	265.9	11.1	6.6	- 27.5	.49	- 35.5
Ogden Corp N	30.75	.25	.8	30.88	30.13	31.75	24.13	899	.47	.84	- 44.0	15.0	1.80	5.9	.....	fiscal	12-84	524.3	10.8	8.1	- 30.8	.42	- 31.1	2136.7	23.7	39.5	- 24.8	2.05	- 25.2
PepsiCo Inc N	48.00	- .13	- .3	48.50	47.50	48.63	35.63	7,670	.82	1.52	- 46.1	14.2	1.68	3.5	.....	9 mos.	09-84	1934.3	8.0	118.3	24.4	1.24	24.0	5425.9	13.3	243.9	17.9	2.57	17.4
Pillsbury Co N	44.63	- 1.50	- 3.3	46.50	43.38	46.50	33.00	6,659	1.53	1.28	19.5	10.3	1.56	3.5		6 mos.	11-84	1256.5	11.7	66.1	26.9	1.52	26.7	2280.0	11.0	105.0	20.8	2.42	21.0
Vie de France M	12.75	.13	1.0	13.00	12.50	15.25	10.50	1,871	1.73	.83	108.4	20.9	.23	1.8	.....	6 mos.	12-84	15.5	26.0	1.6	- 33.3	.14	- 41.7	29.7	22.7	3.0	25.0	.27	12.5

Reporting Period

3 mos. - First quarter of fiscal year
6 mos. - First six months of fiscal year
9 mos. - First nine months of fiscal year
fiscal - Fiscal year
NEW - New report since last issue

General Field Footnotes

NA - Not available or not applicable.
NC - Data required for calculation currently incomplete in our files.
NE - Negative earnings invalidate calculations.
NM - No meaningful figure.
a - Under dividend amount, an 'a' indicates a stock dividend.
b - Indicates cash plus stock dividend when applied to dividend amount column.

Market

N - New York Stock Exchange
A - American Stock Exchange
O - NASDAQ Over-the-Counter
M - NASDAQ National Market

Data and Table Provided by Media General Financial Services, Inc., Richmond, Virginia 23219

SPOTLIGHT ON FINANCE

Some see new round of mergers and acquisitions

By Rick Telberg
Financial Editor

The forces that have spurred food-processing companies such as PepsiCo, General Mills and Pillsbury into the restaurant business can only intensify in coming months, according to some executives and analysts.

"The returns in the restaurant business are greater than those in the food business," said Larry Jones, an analyst at New York-based Equitable Investment Co., stating the chief lure.

According to estimates from Value Line, the food-processing industry averaged operating margins of 9.5% in 1984 while fast-food operators averaged a stunning 19.5%. Food makers earned 14.5% on their net worth in a good year last year, while food servers earned 16% in an off year.

Joe Lee, president of the General Mills restaurant group, which owns Red Lobster, suggested recently that as the food-service industry's two-year-old shakeout enters the later, bloody stages, it will be big companies that will be positioned to gobble the real estate and concepts of faltering chains.

"We're just going to sit back and watch this shakeout get a little worse," Lee said after a presentation to the Consumer Analysts Group of New York's winter conference in St. Petersburg, Fla., last month.

"When an industry has a shakeout, a period of consolidation follows with a strong period of takeovers," Lee said, giving the textbook case of business cycles. "We're beginning the bloody stages now."

The roster of food processors with restaurant holdings is lengthy. Here's a short list of some of the biggest players and their outlook:

- General Mills, which owns Red Lobster, is developing a sixth chain called Olive Garden and may be scouting acquisitions.
- Pillsbury, with Burger King, Steak & Ale, Bennigan's and J. J. Mugg's, says it wants a pizza chain. Godfather's has been mentioned recently as it appears that its parent, Diversifoods, would be worth more dead than alive.
- PepsiCo owns Taco Bell and Pizza Hut and may be looking for a third fast-food leg. Analysts suggest Long John Silver's at the right price would make a good fit.
- R. J. Reynolds, which owns Kentucky Fried Chicken, is tinkering with tiny chains as a way of developing management for a future acquisition, analysts suggest.
- Ralston Purina, despite the sale of its casual themer Continental Restaurants division, is said to be very pleased with the recent performance of Jack in the Box.
- Hershey Foods said recently Friendly could be a major expansion vehicle.

The upsurge in millers' and packagers' interest in food service comes at a time when they are facing increased competition for supermarket shelf space. Pillsbury's ready-to-bake biscuits, for example, face slowed growth in the South. General Mills' granola bars are confronted by copy-cats left and right.

The interest comes, too, at a time when the errors of overexpansion have caught up with once-hot, small chains, whose only salvation now may be to sell out.

* * *

STOCK-PICKERS' PICKS: McDonald's Corp.'s (recent price: $60) fourth-quarter and year-end results are out, and so Wall Street analysts' verdicts are in: Buy.

Richard Simon at Goldman Sachs, Michael Culp at Prudential-Bache and Michael Esposito at Oppenheimer & Co., all in New York, each projects fiscal 1985 earnings of $5.05 per share, over $4.39 last year.

They generally laud the world's biggest restaurant chain's consistently improving performance.

Says Simon: "McDonald's achieved reasonable real U.S. same-store sales gains in the fourth quarter despite touch comparisons" to last year when Chicken McNuggets rolled nationwide.

Diversifoods '84 net down 11% to 18.28M

ITASCA, Ill. — Diversifoods, the multiconcept restaurant company that recently forced two of its top executives to resign, finished its first full year of existence with net profit down 10.7% to $18.28 million, compared with the previous year.

Revenue for the year ended Dec. 31 rose 14.4% to $554.4 million.

Diversifoods suffered a $3.93 million loss in the fourth quarter, compared with a loss of $2.4 million in 1983. The company said the loss in 1984 was principally due to write-down costs, employee severance payments and expenses associated with a failed leveraged buyout attempt. The aftertax effect of these expenses was about $5.5 million.

Severance payments were made to former president and chief executive Don Smith and Godfather's division chief executive Charles Boppell, who were forced to resign after a special baord meeting in early January.

Smith and other top executives had attempted to take the public company private in a $525 million leveraged buyout attempt last year. They dropped the bid after failing to secure financing.

'Diversifoods said Godfather's was profitable in '84 but that "earnings were down markedly" from '83.'

The main reason for the failed bid was the disappointing performance at Godfather's. A poorly executed pan pizza rollout, declining average store sales and franchisee dissatisfaction fueled the 895-unit pizza chain's woes.

Diversifoods said Godfather's was profitable in 1984 but that "earnings were down markedly" from 1983. It did not disclose operating profits for any of its divisions.

Company revenue in the fourth quarter was up 6.7%.

Diversifoods said its Burger Kings and Chart House divisions reported record sales and profits in 1984.

The company's other two concepts, the Luther's barbecue chain and the new Moxie's full-service burger chain, "combined to produce a net loss for the year."

After Smith and Boppell left, a new executive alignment was made. John Creed, who was chief executive of the Chart House steakhouse division, became president and chief operating officer of Diversifoods. The duties of a chief executive are being shared by three men: Creed, chairman William Trotter and chief financial officer David Hanks.

Shawn Holder, who had been heading the Luther's concept, replaced Creed at Chart House.

KFC year-end profit rises 7% before taxes

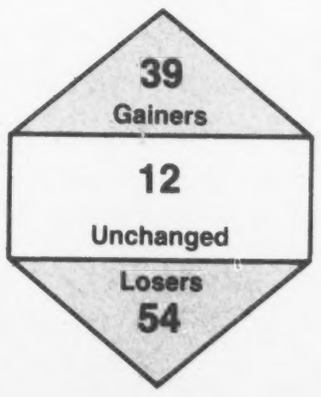
WINSTON-SALEM, N.C. — R. J. Reynolds Industries Inc. said pretax profit from its Kentucky Fried Chicken Corp. rose 7% for the year ended Dec. 31. KFC sales grew 19% due to a national rollout of chicken nuggets and the addition of 387 company-owned outlets, the tobacco and consumer foods conglomerate said.

WALL STREET UPDATE

Index slips 0.1 to 119.4; losers top winners 5-4

NEW YORK — If it had to end, it was good it ended gently. The *Nation's Restaurant News* Stock Index, a market-value weighting of 87 food-service issues, broke its six-week string of advances in the week ended Feb. 22, slipping the minimal 0.1 point to close at 119.4.

In the same week, shortened to four trading days by the Presidents Day holiday, all major market barometers declined. The Dow Jones Industries Average gave up 6.18 points to 1,275.84.



It appeared the largest companies underpinned the *NRN* Index since, on the broader, 105-issue *NRN* listing, losers beat winners 54 to 39, with 12 unchanged.

Among the 87 food-service issues, 44 declined, 33 gained and the prices of 10 were unchanged.

Charted against the Dow Indus-

(See INDEX, page 64)

Church's rebounds; new nugget item prompts gain

SAN ANTONIO — The successful introduction of nuggets last fall and a year-long aggressive marketing effort combined to produce significant increases in net profit and revenues for Church's Fried Chicken in the year ended Dec. 30.

Net profit was up about 35% compared with the previous year to $42.6 million. This figure was right on target with analysts' projections for the year. Revenue was up 17.4% to $545.3 million.

In the fourth quarter Church's reported a whopping 138% increase in net profit, to $14.5 million, compared with the same period in 1983. Revenue was up 20%.

"The company turned itself around in '84," said chief financial officer Bucky Kilbourne.

He credited the new management for rolling out nuggets—an item popularized by McDonald's—and taking the new aggressive marketing stance. Church's is led by chairman J. David Bamberger and president Rick Sherman.

Real sales, according to Kilbourne, were up about 3% for the year, although there was an 11% increase in the fourth quarter.

The company began the new year with about 1,500 Church's chicken outlets and hamburger restaurants operating as G. W. Jr.'s and Jeepers. The total number of units was relatively unchanged in the year as expansion was de-emphasized. Church's is converting many of its G. W. Jr.'s units to Jeepers.

Kelly-Johnston ends 2nd qtr. with $34 M loss

OKLAHOMA CITY — After taking a $30.4 million writedown stemming from the planned sale of its Chi-Chi's Mexican dinnerhouses and Duff's cafeterias, Kelly-Johnston posted a $34.1 million net loss for the third quarter ended Dec. 31.

In last year's third quarter, the company lost $2.1 million.

Third quarter revenue slipped 9% from a year ago to $24 million.

The company said it charged off goodwill and trademark value resulting from its planned sale of Duff's Enterprises Inc. and its 16 franchised Chi-Chi's.

Kelly-Johnston plans to sell the 130-unit Duff's chain to a Duff's franchisee for about $13 million and took a $23.4 million writedown in anticipation of the divestiture.

The writedowns, which have no effect on cash flow, should approximate the company's loss when the sales are completed.